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## MARCH 1925

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# THE PRODUCER

THE NATIONAL LIVE STOCK MONTHLY

Volume VI — DENVER, COLORADO, MARCH, 1925 — Number 10


# Canadian Cattle Industry

BY E. L. CHICANOT

*Montreal, Canada*

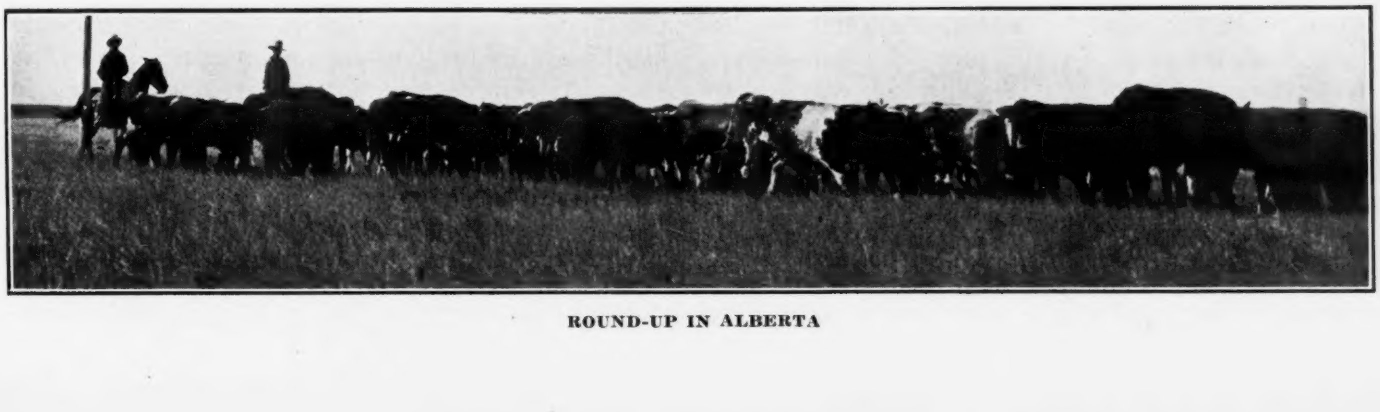
CANADA'S LIVE-STOCK INDUSTRY is on the up-grade again, seven years after the war, according to the Canadian minister of agriculture. The value of this industry to the Dominion today is approximately one billion dollars. Certainly cattle-raisers in Canada are feeling very much more optimistic as a result of the operations of 1924, which are regarded, on the whole, as satisfactory and of favorable trend. It is generally conceded that the industry is facing brighter prospects at the opening of the new year than it has for some time.

The history of the export cattle industry of Canada has been one of frequent and disturbing fluctuations, brought about by the many vicissitudes to which the industry has been subjected—principally a periodical buffeting between British and United States inhibitions. Now Canadian live-stock producers seem to have reached a realization that it is poor policy to be dependent upon a single source for the disposal of their produce, and are seeking a remedy for periodically recurring ills in a wider expansion of markets. In the movement to go farther afield in the vending of their products, which is markedly evident at the present time, lies the confident hope of brighter and more stable times for the cattle-producers of the Dominion.

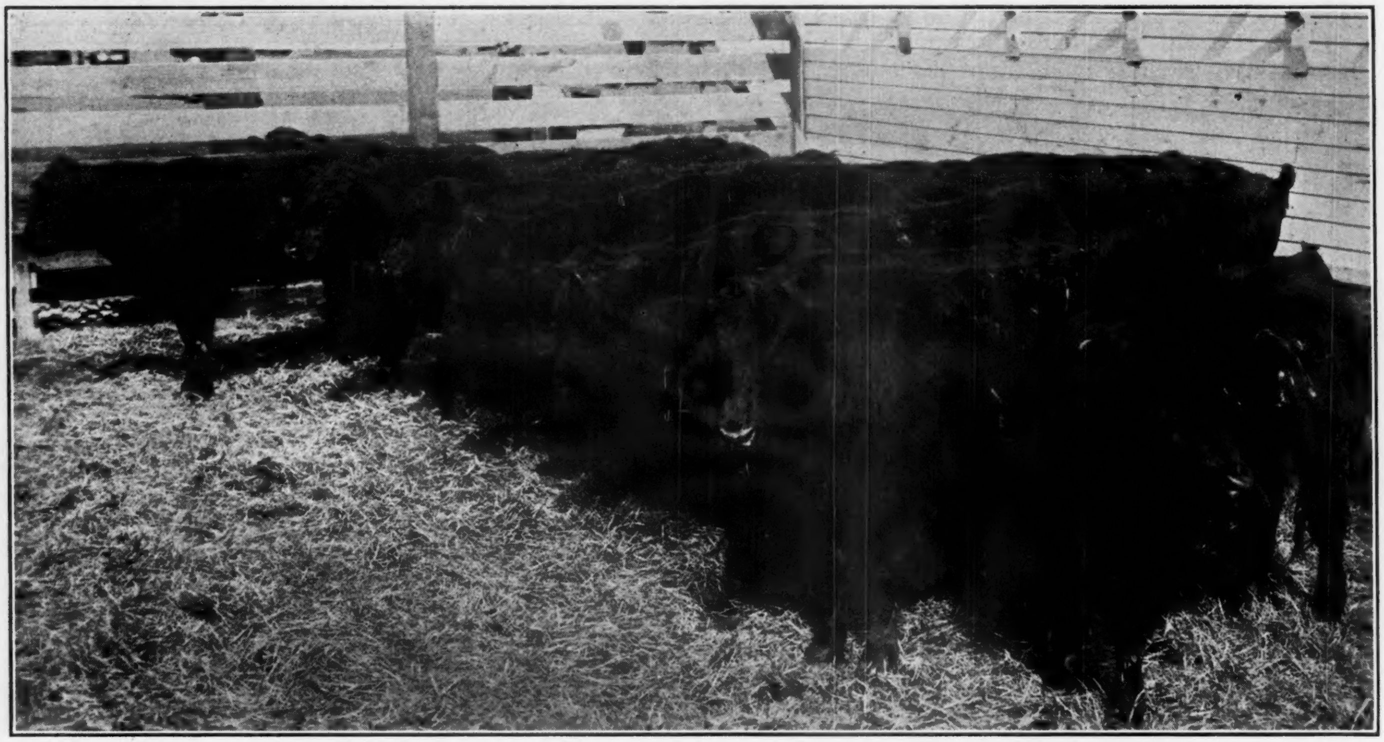
### New Markets Being Sought

The destination of Canadian cattle for export has always been changing in trend according to the prevailing tariff operating against them, and this is increasingly at the present time in favor of the United Kingdom and against the United States. All developments under way in connection with the Canadian export cattle industry are taking place with a view to overseas movement, and, while there is every assurance given that the United Kingdom can absorb all the cattle Canada can send her for some time, the Dominion is at the same time making experimental efforts at the penetration of new markets elsewhere.

This tendency was markedly accentuated in 1924. In that year a total of 183,242 head of cattle, valued at $12,622,863, were exported from Canada. Of these, 79,435 head, valued at $8,402,377, went to the United Kingdom, and 97,847 head, valued at $3,854,730, to the United States. The remaining six thousand head



ROUND-UP IN ALBERTA



CATTLE FROM WESTERN CANADA READY FOR SHIPMENT

represent largely new markets of recent development, from which much is expected in the future. The pronounced change in destination is evident in merely a comparison with the previous year, when of the total exports of 258,977 head only 25,758 went to the British Isles, as against 228,895 to the United States.

This new tendency is reacting with considerable benefit to Canadian ports. From this point of view, Montreal experienced the most active season it had known for several years. Total shipments from the St. Lawrence port from May 1 to November 29 were 44,738 head, as compared with 29,818 head for the previous season—an increase of 14,920 head over 1923, of 22,897 head over 1922, and of 12,975 head over 1921. The same increase is noted in the trade of St. John, to which much of the traffic of the premier port gravitates when ice has formed on the St. Lawrence. In 1921 St. John handled only 49 head of cattle, while in the last season it handled 7,196 head. This season exports are expected to reach 12,000.

A feature of equal interest, and possibly greater significance, however, has been the attempted expansion of export markets for Dominion cattle, which has been attended with certain successful penetration. Experimental shipments of Canadian cattle were made during the year to California, Belgium, Brazil, and Japan. While the sum of shipments did not run into a very substantial aggregate, their favorable reception opened the way for a possible future business; and, in the case of Japan, a trade to which it is not possible to put limits at the present time has been definitely established on a firm and secure foundation.

**Exports of Beef Cattle to Japan**

Learning that in the past four years or so the consumption of beef in Japan had doubled, and that this item had been added to the diet of the army and navy in that country, a new and considerable market being thus developed, the government of the province of Alberta made an experimental shipment of some thirty head of steers to that country, for immediate slaughter, under the personal direction of the Alberta deputy minister of agriculture. Live-stock dealers were so interested in the shipment that they came from all over Japan to view the stock. The animals traveled across the Pacific in excellent shape, and the Japanese were well pleased with the cattle, being particularly well satisfied with the beef. They were immediately anxious to have another shipment from Alberta.

Following this, regular shipments of increasing size have been made, and a definite trade has been established, the size of the consignments swelling. At the time of writing, a shipment of some 260 head of Alberta beef cattle is being made from the province for Japan in the name of a large Japanese firm which has interested itself in such shipments, and another Japanese firm is negotiating for ocean space for another substantial shipment. This trade is proving very lucrative to the province of Alberta, which, long established in the cattle industry, finds a natural outlet through the Pacific coast port of Vancouver.

The several shipments made to Brazil in the course of the year were well received, and it is hoped that a steady trade may result. The shipment of butcher

cattle from Alberta to Sacramento, California, has likewise been successful, and it is confidently expected that a fairly regular business will ensue. Whatever cattle Belgium will receive in the future will, naturally, be diverted from shipments to the United Kingdom. While Alberta may with some justification hope for profitable developments in its trade with the Orient, most plans at the present time are being made with a view to the big trade in export cattle going across the Atlantic.

### Live-Stock Producers Organize

Probably the most concrete indication which has been given of the recovery of the Canadian live-stock industry, and what at the same time promises to be one of the biggest developments in western Canada's history as a live-stock producing country, is contained in the announcement of the formation of the Live Stock Producers of Canada—a company incorporated with a million dollars' capital, for the purpose of carrying on the business of buying, feeding, selling, importing, and exporting live stock, and all other businesses incidental thereto, including farming, ranching, stock-raising, and the operation of warehouses, elevators, and mills. The personnel of the board of directors comprises individuals in Canada, the British Isles, the United States, and Belgium with lifelong experience in the Canadian live-stock industry, especially in its application to European export. The operations of the company have to do with the export trade to the British Isles, and strong connections have been established in a number of British and continental seaports. The headquarters of the company are located at Edmonton, and the company is expected to operate principally in central and northern Alberta. A 320-acre property adjoining the Edmonton stock-yards has been acquired, upon which pens and a feeding-plant have been erected. Following the successful trial feeding of some 400 head of cattle at Edmonton last winter, it is planned that the turn-over during the present winter and spring will be in the neighborhood of 10,000.

Certainly optimism as to the future of the Canadian cattle industry characterizes the outlook on every hand. The depression of the days when Canada, looking both to the United States and the United Kingdom, found embargoes against her product, and sought vainly to find profitable markets, is gone. No longer are ranchers departing or herds dwindling. Dominion government figures for the year 1924 show that there were 9,198,714 head of cattle in the country in that year, as against 8,982,087 in the previous year—an increase for the year of 2.5 per cent. General optimism prevails, based on the assurance of a permanently open market. Cattle-raisers in Canada are realizing that all they have to do now to market profitably is to produce the type of cattle demanded.

## PUTTING CATTLE INDUSTRY ON FIRMER FOOTING

BY WOODRUFF BALL
*Valentine, Nebraska*

WHILE, in the main, the following observations deal with the cattle business in the sand-hills of Nebraska, which are primarily a breeding or producing country, they will be found applicable in many instances to the industry in general. Despite all the discussion that has been going on of late years, it is questionable whether anyone not directly in touch with the industry fully comprehends its deplorable condition. In large measure, this condition arises from circumstances beyond the control of the individual; but all too frequently it is due to lack of attention to the underlying details of the business.

The subject-matter of this statement falls naturally under two heads: first, what may be termed the process of elimination, with its causes; second, the process of substitution, with its remedies. In the writer's opinion, the present ills of the cattle industry are due only in a small degree to political causes, and therefore there can be but few political remedies.

Under the first heading, let us consider primarily the elements beyond the control of the individual. The World War stimulated the production of cattle, and its cessation caught our cattlemen with an oversupply. The regular exporting channels of other cattle-producing countries had been closed; hence they, too, were surfeited. These influences, in connection with the impaired buying power of importing nations and forced liquidation at home, caused a rapid deflation in prices. The resulting shrinkage in the value of his assets wiped out the cattleman's equities. The long period required to produce cattle causes a slow turn-over, which does not permit the cattleman to readjust himself quickly to changed conditions. Interest rates for the average borrower on cattle security and ranch lands remain too high—a difficulty which is aggravated by a lack of sufficient agencies for financing. Without exception, no item of expense chargeable against the production of cattle has been deflated in a proportionate ratio. On a 1913 basis, cattle today are undervalued fully 45 per cent as compared with other commodities.

As to the causes wholly or in part within the control of the individual, we find: an accumulation of land and improvements, adding to plant investment, not paid for out of surplus funds, but from borrowed capital, to be repaid from proceeds of sales; buying of cattle at high prices, either to increase herds or for maturing, and their subsequent sale at deflated prices, representing less than cost of production; in the case of a breeder, too small a percentage of calves; improper care of equipment, causing too rapid depreciation and too frequent replacement; increased personal expenses, overhead, and fixed charges; extension and acceptance of too much credit. No doubt a great evil with the cattleman has been his utter lack of any accounting system. Without such system he has had no exact knowledge of the cost of production, nor a way to ascertain from year to year the comparative cost of his various operating items and fixed charges.

All of the foregoing causes have been contributory factors in the breaking-down of the individual cattleman and the financial structure of the industry as a whole. The process of elimination goes steadily on; nor is the end yet in sight. The path is strewn with those who grew up in the business, made of it their life-work, knew naught else, and now are unable to come back. A truly pitiful and tragic tale of the passing of the old order of conditions and men!

Rehabilitation of the cattle industry must come through the process of substitution—with new men, new capital, and new methods. The cattleman of the future, to survive, must be a business man; but even such a type cannot succeed with-

out having available improved facilities for financing, and more exact data of the fundamental factors entering into the production and maturing of cattle.

In the past, neither general business, our government, nor science has delved deeply into the fundamental factors of the cattle industry. Rather has it been left to paddle its own canoe, with the average individual equipped by neither education nor experience to reason out causes back of effects, and thus to determine remedies. The successful future of the cattle industry demands the closest co-operation of all the foregoing agencies. Scientifically educated minds can do much to afford relief. Congress has by resolution declared agriculture a basic industry. So, too, are all its components, of which the cattle industry is one. In the upbuilding of other basic industries, millions of dollars have been spent on research work, for which the producing and consuming public, who are the tax-paying public, have paid the bill. The cattle industry is not organized, and it is questionable whether it ever will become highly so; wherefore, in the present situation, it would appear incumbent upon our governmental agencies to shoulder this duty and very materially increase their activities in research work.

Further information is required as to our native grasses—their habits and feeding values, the possibilities of increasing their quantity and quality, and the introduction of new species. The questions of pasture and range, management and control, drainage and water levels, are all subjects for further investigation.

A study of production costs and methods would assist in determining ranch-land values and a fair sale value for cattle based upon a reasonable return on the investment, and also tend to standardize management.

The cattle ranchman must have more than one pay-day a year. The annual turn-over is too long. This would lead to the introduction of lesser crops, or the diversification of production in a measure.

The average calf crop may be fairly placed at 60 per cent. This percentage is returning an annual financial loss to breeders, representing, as it does, too great an unproductive investment in cows. This is a most serious phase of the cattle industry. Scientific research, in co-operation with practical cattlemen, should find an answer to this problem.

In his recent Chicago address, the President touched upon the subject of marketing through organization. This is an end greatly to be desired. For the producers it is not sound economics to market each year's entire crop within a period of, say, sixty days, thus congesting the markets and creating slumps in prices that frequently wipe out profits and occasionally cause deficits. The study of ranch management and feeding should evolve a better system of marketing by the individual, permitting him to market his crop more frequently within the year.

Relief from the present burdensome freight rates is essential. This relief should be forthcoming from the adjustments in behalf of agriculture sought by Congress through the Interstate Commerce Commission.

Whatever may be accomplished by the political units of our government toward restoring the stabilizing export markets for beef should assist materially in increasing the selling price. The Marketing Committee of the American National Live Stock Association has made an exhaustive study of all phases of the marketing problem. Its report well merits serious consideration.

Admittedly, the average gross interest rate on loans based on cattle and ranch-land security is "higher than the traffic will bear." It is to be regretted that to date the intermediate-credit bank system has not afforded the relief anticipated when it was established. Suggested amendments, and the appointment to the Federal Farm Loan Board of a man thoroughly conversant with the cattle industry, will, it is hoped, tend to enhance its utility. Many students of the farm-mortgage loan business hold that ranch land should not be made the basis of credit for the cattleman. His lands, however, are a part of his plant investment, and he should be as much entitled to a loan value on them as is the manufacturer on his plant. The foregoing opinion no doubt results from the fact that, in borrowing, the cattleman has had to seek one agency for his land loan and another for his cattle loan. Earnings from the land, when stocked, must be derived through cattle sales. The ability to pay interest on the land loan has been at the option of the cattle-loan holder. This option has not always been permitted, and the land-loan holder has been forced to foreclosure proceedings. On the other hand, in cases where the ranchman has had connections with a bank holding his cattle loan, and its own subsidiary trust company also holding the land loan, results have been more satisfactory. In such cases the cattleman has had the one agency to deal with, and that one agency could and did maintain a closer check upon all his operations. In other lines of industry the plant and its equipment are made the basis of credit; hence the suggestion that, in working out the cattleman's problem of future financing, consideration be given the thought of financing him under a form of trust agreement on both land and cattle through one agency.

The sum-total of the situation in the cattle industry today is this: Between the millstones of excessive production costs and sale values below the cost of production, it is being slowly but surely ground out of existence. Its future continuation must depend largely upon properly directed and constructive co-operation from without, and a receptive attitude for knowledge and its application from within.

## RECOMMENDATIONS FOR AGRICULTURAL CONFERENCE

IN RESPONSE to the suggestion by Mr. Carey, chairman of the President's Agricultural Conference, that he would welcome the views of organizations and individuals on the subjects coming within the scope of the conference's investigations, the following was submitted by Edward L. Burke, of Omaha, vice-president of the American National Live Stock Association:

*"Robert D. Carey, Esq.,*
*"Chairman, President's Agricultural Conference,*
*"Washington, D. C.*

"DEAR SIR: The possibility that my suggestions may be helpful to the conference in a most difficult undertaking is my reason for writing you at considerable length on the live-stock situation. My remarks are based on thirty-six years' experience in eastern Nebraska, farming and feeding cattle and hogs on rather a generous scale. Strange as it may seem, I live to tell the tale.

"I believe we shall all agree that there is no royal road along which the live-stock industry may be led to a profitable and self-respecting basis. There are so many forces, economic and otherwise, which stand in the way. At the very start we ought to recognize that the present centralized system of marketing live stock and distributing the products thereof has proved very wasteful and extravagant—disastrous to producers of live stock and unnecessarily expensive to consumers. This situation applies to the period before the war as well as since. The cattle industry especially, in which competition at the central markets is at a minimum, has been in a most unsatisfactory condition for many years, until now it has finally almost collapsed.

"With the end of the war began a mad rush on the part of every industry to protect itself against the deflation which was inevitable. Naturally the best-organized and most powerful interests suffered the least, although the big packers in 1920-21 took heavy losses, due to shrinkage in inventory and unprofitable outside investments. As the weakest industry, live stock was inevitably the one to suffer the most; but the collapse has not been confined to live-stock producers by any means. While the temple has been crashing around their heads, those with whom they deal have not escaped, as the failure of thousands

of banks, cattle-loan companies, and mercantile establishments in the West bears abundant testimony. And now a strange anomaly is presented. While agriculture, and especially the live-stock industry in the West, are on the verge of bankruptcy, the big guns in the East boom prosperity. If the East is as prosperous as Wall Street and the press would have us believe, it is high time they took notice of conditions west of the Mississippi River. Their vaunted prosperity may be short-lived if they do not co-operate to restore the economic balance. This country cannot long be one-half prosperous and one-half broke.

"For the present the salvation of the live-stock business lies in effecting economies both in production and distribution, just tariff protection as compared with other industries, and a fair adjustment of the purchasing power of its products. To secure these things, we shall need the co-operation of the President, Congress, and a Secretary of Agriculture who has a sympathetic understanding of our problems, not to mention the help of the many agencies with which the industry comes in contact, such as the railroads, the packers, and the market agencies. For the long future we may look hopefully toward a co-operative system of distribution by the producers, involving decentralization and the elimination of the waste and extravagance of the present system. If that ever comes, it will be only as the result of a slow and careful development.

"May I elaborate as to what I have in mind by suggesting the following subjects for the consideration of the conference: I, Lower-Cost Production; II, More Economical Distribution; III, Decreased Production; IV, Increased Demand, both Domestic and Foreign; V, Co-operation; VI, Protection by a Duty on Cattle Hides; VII, Financing. Let us consider these in the above order:

## I. LOWER-COST PRODUCTION

"The establishment of just and reasonable railroad rates on agricultural products, especially on live stock.

"The establishment of reasonable joint through rates on live stock over one or more lines in the territory west of the Missouri River, and the granting of the rates asked by the American National Live Stock Association and the National Wool Growers' Association in the case now before the Interstate Commerce Commission (Docket 14190), would bring important economies in the distribution of live stock from the range to the feed-lots, and work for decentralization.

"Recognition of the fact that there are large portions of the public domain, not fit for agricultural purposes, which should be leased to stockmen on terms which would justify expenditure for development and permit reasonable profit. The policy of selling grazing homesteads not adapted for agricultural purposes has resulted in great economic loss, and has wrecked homesteaders by the thousands. A reversal of the present policy is important.

"Encouragement of direct selling: First, by the producer to the feeder. Establishment of the joint rates above referred to would stimulate trade between the producer and the feeder as nothing else could. Second, by the feeder to the packer. Here is a field for lightening one of our heaviest burdens by the elimination of uneconomical charges at the markets, and unnecessary shrinkage of live stock. Direct selling would take the load off the markets, prevent gluts, and tend to steady prices.

"Reduction in taxes. This would prove beneficial in two ways to the stockmen: first, by reducing their overhead; and, second, by reducing the price of the things they buy.

## II. MORE ECONOMICAL DISTRIBUTION

"The packers, stock-yards, commission men, traders, and retailers are the principal market and distributing agencies.

### THE PACKERS

"The monopolistic character of the packing business, and lack of competition at the central markets on live stock, especially cattle, with the violent and apparently unjustifiable fluctuations, have for years caused producers grave concern, and, in the opinion of many of the best-informed and closest observers, are one of the principal causes of the distressing conditions of the industry. The Packers and Stock-Yards Administration has prepared comparative figures showing the proportion of interstate slaughtering of the different species of live stock by the Big Five from 1919 to 1924, inclusive. They are most significant and merit your examination.

"In a general way, the Big Four are now doing close to 61 per cent of the federally inspected slaughtering, and at some of the leading markets far more than this percentage, which gives them a dominating position.

"During the years immediately following the war—1919-22—the proportion of interstate slaughtering by the Big Five fell from 69.3 to 59.3 per cent. This was probably due to the hold on domestic business obtained by the smaller packers during the war while the Big Five were busy with export business. Having once obtained a footing, up to 1922 they steadily increased their proportion of the business, at the expense of the Big Five.

"At that time (1922) it looked as if the tendency, which for over thirty years had been toward concentration, was definitely turned in the other direction; but 1923 showed a change. Swift & Co. increased their tonnage over 1922 by 16 per cent, while Armour merged with Morris; and the Big Four are now doing a larger proportion of the business than the Big Five did in 1922, according to the Packers and Stock-Yards Administration.

"With the consummation of the Armour-Morris merger, the Big Two are now placed in a commanding position, fraught with danger to the industry. It is claimed by men who are selling cattle on the market every day that since the merger there is a noticeable diminution in the competition. The Big Two for the year ending June 30, 1924, slaughtered approximately 56 per cent of the federally inspected cattle, and approximately 48 per cent of the total number of cattle, calves, hogs, and sheep. The drift toward the elimination of competition is contrary to the letter and spirit of our laws. The Secretary of Agriculture ought to have the authority, under the Packers and Stock-Yards Act, to prevent further consolidations until such time as the courts have an opportunity to pass on their legality. An amendment to the act giving him the necessary authority temporarily to suspend mergers like that of Armour and Morris is of the greatest importance.

"Under the present system of centralization, an efficient federal regulation is the only safety for both producer and consumer.

### STOCK-YARDS, COMMISSION MEN, AND TRADERS

"There are about 700 commission firms, 4,000 traders, and 67 public stock-yards which come under the Packers and Stock-Yards Act. Up to its passage in 1921, the market agencies, without interference from anybody, made their own rules and charges, and dictated terms on which they handled the producer's business. Like the packers, they were a law unto themselves. Their very existence depends on the maintenance of the present system. The charges collected at the central markets for yardage, feed, commissions, traders' profits, and the unnecessary shrinkage of the live stock constitute no small item in the toll between producer and consumer. Chester Morrill, in his 1924 report, has well said: 'The most efficient and low cost transfer of raw material to the processor, and of finished goods to the consumer, is the economic duty of market agencies, dealers, packers, wholesalers, and retailers to the live-stock and meat industry.'

"To what extent economic saving can be fairly effected in connection with the market agencies and the traders is a matter which merits your careful investigation. The Packers and Stock-Yards Administration has devoted months to the study of this very problem, and can no doubt give you valuable information.

### PACKERS AND STOCK-YARDS ACT

"The passage of the act was due to the devoted efforts of a few men, both in and out of Congress, who appreciated the necessity of a regulatory measure for the purpose of making the markets fair, open, and competitive. It takes much time and patience before a law of this kind can work smoothly and effectively. Co-operation of the various interests affected is desirable. The training of a large force to administer the act, and the strengthening of the act itself, are necessary for results. At the start too much was expected by the producers. Many thought that higher prices would immediately follow, and they lost faith in the act because general conditions in the industry have gone from bad to worse. The depression is due in part, at least, to great economic forces over which the Packers and Stock-Yards Administration has no control. Deflation in live-stock prices inevitably followed the war. The world is being made over, and the process is painful. As a matter of fact, the Packers and Stock-Yards Administration stands alone today as an impartial arbitrator between the producers of live stock and the public, on the one hand, and the packers, retailers, market agencies, and traders, on the other. In the comparatively short time of its operation, it has already corrected many abuses and unfair practices at the markets, and shed much light on the operation of the packers and market agencies. Those who are administering it, including the late Secretary of Agriculture, as he publicly stated, have come more and more to realize its importance, and the necessity of certain amendments which will enable it quickly and effectively to accomplish its purpose.

"The most important amendments are House Bills 7110 and 8942. The latter is now pending, and does not require any reintroduction during this session. These amendments would protect producers against irresponsible commission men and traders, prevent boycotts, greatly expedite business, and prevent discrimination by market agencies against co-operative commission companies, and should be passed by Congress.

"I am also attaching a proposed amendment which has never been introduced, but which was prepared with the approval of the Packers and Stock-Yards Administration, and should be passed promptly if other mergers like that of Armour and Morris are to be suspended until the Secretary of Agriculture and the courts have an opportunity to pass on them. I recommend a careful study by your conference of this act, its accomplishments, and what is needed in the way of amendments to make it more effective, and urge your active support in securing their passage by Congress at an early date.

#### RETAILING

"The margin between the producer of live stock and the table is admittedly far too great. The retailer, according to the 1924 report of the Packers and Stock-Yards Administration, adds the largest single charge to the price spread, and the improvement at this stage in distribution may save more than any other. 'Preliminary investigations indicate that the next step in the improved distribution of meat must come from packer retailing.' Here seems to be a field for careful study. The Big Four are perpetually enjoined from retailing by the Consent Decree, but retailing by the smaller packers might prove an economic saving, increase the volume of their business, and establish them more firmly as a competitive factor at the markets.

### III. DECREASED PRODUCTION

"On January 1, 1924, according to the Department of Agriculture, we had over 10,000,000 more cattle in the United States than in January, 1913, approximately 4,000,000 more hogs, but 13,000,000 less sheep. South America has materially increased its cattle supply since the war. We have practically no foreign outlet for our surplus beef, as we have for hog products. The supply of sheep both in the United States and in the world has been so reduced (approximately 89,000,000 for the latter) since the pre-war census that prices are now on a profitable basis in this country. Our cattle production should be reduced to a point where they will command prices covering cost of production and a reasonable profit. It is quite possible that money losses will bring this condition to pass in the near future. However, we should not mistake a temporary shortage of beef cattle for a real shortage. Forced liquidation of fed cattle and scarcity of corn are sure to result in much higher prices for beef cattle before spring. This would probably be merely a temporary respite, such as the wheat- and corn-producers are enjoying now, due to short crops.

### IV. INCREASED DEMAND, BOTH DOMESTIC AND FOREIGN

"The importance of this is too obvious to need demonstration. The educational work along this line of the Institute of American Meat Packers and the National Live Stock and Meat Board, with its 'Meat for Health' motto, is most commendable. The 'Eat More Meat' campaign of the latter has helped materially to increase consumption.

"The fine work of the institute in providing higher education in the science of meat-packing for hundreds of young men will benefit the whole industry, and so will the work of the National Association of Meat Councils in the discovery and application of more economical methods of distribution.

"In view of our great surplus of meat products, the foreign situation should be carefully studied with a view to increasing our exports.

### V. CO-OPERATION

"Here perhaps is the greatest field for the future. In time it may be the best ally of the producer. At present live-stock producers are just learning the rudiments of co-operation. Their co-operative shipping associations and selling agencies at the public markets should be encouraged, and carefully protected against discrimination. As real representatives of the producers in the great public markets, they are invaluable.

"A careful study should be made as to the chances of success of co-operative abattoirs and warehouses, established by producers at local points, under local supervision and regulation, where consumers would have the privilege of the cash-and-carry system.

### VI. PROTECTION BY A DUTY ON CATTLE HIDES

"In 1923 the imports of hides and skins into the United States amounted to $119,000,000. They came in free of duty from countries where cost of production is much lower than here. Shoe-manufacturers objected to the duty. Producers were too weak to secure their rights. A duty of 4 cents a pound on hides would be a boon to the industry, and would make very little difference in the price of the manufactured products of leather.

### VII. FINANCING

"Adequate financing, at low rates of interest, means lower cost of production; but it may mean an increased certainty of disaster if it results in an overproduction.

"Yours sincerely,

"EDWARD L. BURKE."

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## THE AGRICULTURAL CONFERENCE

REACTIONS to the report of the President's Agricultural Conference have not been uniformly favorable. In the range country particularly is much disappointment expressed. Considering the fact that the case of the western cattleman was especially recommended for prompt and effective relief, the patient seems to feel that much the same result could have been obtained, and much valuable time saved, if he simply had been advised to stick his tongue out of the barn door. In the "Quarterly Bulletin" of the New Mexico Cattle and Horse Growers' Association for February, C. M. O'Donel, president of that organization and first vice-president of the American National Live Stock Association, states his views in these unflattering terms:

"Heralded by pre-election promises, nominated immediately after the election, and called to meet at the earliest possible opportunity, the President's Agricultural Conference may be presumed to include within its membership the best constructive brains of organized agriculture. Its action has been awaited by the agricultural interests of the nation with an eagerness proportioned to the need for relief.

"Having held a preliminary session in December, adjourned over the holidays, and sat through the greater part of January, the conference has now endured the pangs of labor and brought forth progeny in the form of triplets. We are not informed whether the last of the trinity of reports that have been given out is, indeed, the final word, or whether the conference will continue to exfoliate from time to time; but enough has been released to produce a profound sense of disappointment, which will not easily be removed by later utterances.

"It was authoritatively stated, when the conference first went into session, that the one branch of agriculture in which an emergency existed was cattle, and especially the range branch of that industry, and that the first efforts of the conference, therefore, would look to a relief of the existing critical conditions. Accordingly, the first report issued is called a 'Report on the Emergency in the Live-Stock Industry.' It is dated January 14."

Then follows a summary of the recommendations of the first report, in which the subjects of transportation and the tariff are reserved for later treatment. The second report, issued on January 28, describes itself as a "Report for Agricultural Legislation for Submission to the Sixty-eighth Congress," and, according to Mr. O'Donel, "may be assumed to be the product of more mature consideration." Of this he says:

"The recommendations in regard to co-operative marketing legislation are somewhat obscure to a mere layman, but they are believed to embody the provisions of one or more bills already before Congress. It may be discerned that they do not relate to live stock. One recommendation stands out clearly enough: that a federal board should be formed to put into effect the provisions of the law when enacted, consisting of two cabinet officers and three other members, the salaries of the appointed members to be $12,000 a year, and that $500,000 should be appropriated to cover the operation of the board for its first year.

"The three pages which deal with the proposed amendment to the Agricultural Credits Act contain a recommendation that

the agricultural credit corporations should be eligible to rediscount with the intermediate credit banks. (This recommendation is identical with that contained in a resolution adopted by the American National Live Stock Association at its convention at Albuquerque, January 14-16.)

"On the subject of freight-rate legislation, the report refers to its promise to make a recommendation under that head, and proceeds to carry out the same by advocating the passage of House Joint Resolution No. 94, 'directing the Interstate Commerce Commission to take action relative to adjustments in the railroad freight-rate structure,' etc. Why the conference chose to ignore House Joint Resolution No. 107 (the Hoch-Smith resolution) and to sponsor a resolution which contained no reference to agricultural products or live stock, and which was in a less favorable position for action by Congress, is best known to itself. However, Congress did not wait for this recommendation, but passed the Hoch-Smith resolution on the same day that this report was issued.

"On the subject of public domain, the conference reiterates its former recommendation and adds an indorsement of the 'measure which carries the approval of the Departments of the Interior and of Agriculture'—presumably the Phipps bill, S. 4076, introduced two days before the date of the report.

"On the tariff question, the statement made in the first report is reiterated. The conference is not 'making specific recommendations at this time,' but it 'nevertheless wishes to be understood as sympathetically recognizing the need of protecting our various agricultural commodities,' etc.

"The other recommendations of the report, if not immediately helpful, are quite innocuous. They are not, by any construction of the terms, designed to relieve an emergency.

"The omissions of the report are glaring. It does not contain one word about the present wasteful and uneconomic methods of marketing live stock. It refers not at all to the dominating fact that market prices of cattle are below the cost of production (a situation which must be changed before it becomes worth while to finance the industry); no mention is made of the administration of the Packers and Stock-Yards Act, nor of any of the amendments to that statute, the necessity of which has been pointed out both by the Department of Agriculture and by numerous live-stock organizations.

"It will appear to the live-stock industry that a great opportunity has been missed. That industry has not asked for the creation of high-salaried positions nor for half-million-dollar appropriations. It has demanded an equitable adjustment of freight rates and transportation laws, a protective tariff on hides and meat products which will place it on a parity with other domestic producers of raw material and manufactured goods, and a law which will be effective in regulating monopoly and organized market agencies. It had expected something from the President's Conference other than this magnificent example of pussyfooting. It is entitled to something more than 'sympathetic recognition.'

"In justice to Mr. Bixby, it must be said that he advocated the adoption of quite a different report.

"The third report of the conference, issued February 2, deals for the most part with interoperation of governmental departments and bureaus. It calls for no comment at this time. So far as the cattle industry is concerned, the conference would seem to have shot its bolt."

## ARMOUR & CO. TO BE OWNED BY PUBLIC

THE FAVORABLE OPPORTUNITY for disposing of a large share of his stock in the packing company which bears his name, for which J. Ogden Armour is said to have been waiting since 1922, now seems to have arrived. According to reports, the group of banks which handled the financial reorganization of the firm two years ago at the time arranged for an option to purchase the bulk of the stock held by the Armour family within five years, with the idea of later offering it to the general public.

The common-stock capitalization of Armour & Co. is about $100,000,000, divided into 2,000,000 each of Class A and Class B shares—both with a par value of $25. Class A shares are entitled to a preferential dividend of $2 a year. Between 600,000 and 700,000 shares of each class are now understood to have been taken over by the banks, which will arrange a syndicate to put the A shares on sale at around $23 and the B shares at about $14. Later on, as conditions appear favorable, further purchases will be made.

## OUTLOOK FOR WESTERN CATTLE

BY JAMES E. POOLE

GRASS CATTLE PROSPECTS are decidedly better than a year ago, for several reasons. Hogs are $5 per cwt. higher, reducing competition from cheap pork, and there is not even a remote prospect of repetition of 1924 beef production in the Corn Belt, especially on a tonnage basis. Grass beef was handicapped last year by heavy production in the Corn Belt and a short corn crop. The former condition has since been reversed, and a big corn acreage is assured. On the outcome of that crop will depend the fall stocker market; but nature rarely repeats, and a good, active summer cattle market will revive Corn Belt interest in beef-making. Cattle-feeding is a habit difficult to renounce, even when results have been unsatisfactory. An acquaintance who recently marketed a drove of steers that he had carried too long made a declaration that he would never handle another bullock; but the very next day he was down in the stocker alleys trading on cattle to replenish his feed-lot.

Present indications are that the 1925 meat supply will be sufficiently under 1924 production to put the shoe on the other foot, and at that the shortage theory is untenable. Admitting a diminished pork supply, no such crop of cattle as was dumped into the market last year is possible, indications being that every supply source will show contraction. A year ago not only were Corn Belt feeders carrying an excessive number of mature cattle, but they were in buying mood. Under present conditions, few heavy bullocks are going on feed, and the old crop is at the exhaustion stage. Despite the fact that yearlings made money in 1924, the number of calves laid in east of the Missouri River was appreciably less than in 1923, and the resultant crop of yearlings will go to the butcher earlier than usual. A $10 to $12 market for little cattle in February drew them to market prematurely, and it is probable that by August, when grass cattle begin moving freely, the residue of the season's yearling production will be in the hands of feeders with a definite market policy, who make standard goods, and who either do not unload until late in the summer or carry their holdings until October or November, when the market for finished little cattle is always at its highest level. Last year yearlings were reasonably plentiful all through the season.

Summer feeding in the Corn Belt has acquired popularity in recent years, for several reasons, not the least of which is the economy in gains. Especially where the operator has pasture it is an alluring game, handicapped only by fly-time. It is this development that has militated against vending grass beef, as color counts. Much of the western grass beef going into coolers in recent years, especially that made on southwestern pastures, has "cut dark." Corn is less plentiful, and it is a reasonable assumption that summer feeding east of the Missouri River will be 20 to 25 per cent lighter than last season. Even in such pasture areas as the Mineral Point section of Wisconsin there is a disposition to curtail.

What the effect of higher prices will be in attracting western cattle to market must be left to conjecture. Fewer cattle will go into southwestern pastures, and it is improbable that as many will be available from the central or northwestern grazing sections. A higher market might exert a restraining influence, especially in the case of female stock, as it would improve the financial status of the industry. Aged cattle may not be scarce, but the visible supply has been substantially reduced. The present and prospective condition of the dairy industry is such that milking herds will be closely culled to eliminate unprofitable cows; but this type of beef is unpopular.

If corn were plentiful, a promising summer fat-cattle trade would furnish incentive to put early arrivals of western

cattle on feed for a brief period, and it is not impossible that such a trade will develop. It would be a good thing for the cattleman, as it would create competition on fleshy steers. On the other hand, killers may need beef to an extent that would enable them to outbid feeders on such cattle. Killers will buy anything that shows a profit on the turn-over.

Stock cattle and fleshy feeders are somewhat higher than a year ago, while beef grades are on about the same basis as at that time, indicating that the feeding area has no surplus. Based on sales at Chicago, average cost of fleshy feeders, weighing 1,000 pounds and up, early in March was $7.93 per cwt., compared with $7.10 a year ago; average cost of the 900- to 1,000-pound type was $7.37, against $7.23 last year; of the 800- to 900-pound class, $7.05, against $6.79; of the 700- to 800-pound class, $6.73, against $6.16; stockers weighing 700 pounds down averaging $6.81 per cwt., against $5.81 at the corresponding period of 1924. Average cost of the entire package of stockers and feeders purchased at Chicago the last week of February, running in weight from 606 to 1,085 pounds, was $7.12, against $6.40 a year ago, when weights ran from 607 to 1,061 pounds. This year the purchase of that week was only 2,391 head, compared with 3,686 last year, which is about the comparative ratio of the movement from all markets during the same periods.

Every factor in the enumeration warrants a forecast of a more satisfactory cattle-trading basis. A hue-and-cry of cattle scarcity has agitated the atmosphere recently. Optimism is always popular, but those who vend it are confirmed extremists. Every road has a turn, however, and the cattle business must have an inning sooner or later. Cycle theories are interesting, but unconvincing. What the beef market needs is relief from saturation, and it is reasonable to assume that this is about to happen.

## PORK IS EVER POPULAR

J. E. P.

AMERICAN MEAT-CONSUMERS are decidedly partial to pork; packers are also partial to vending it. The upward trend of values, which took definite shape in January, was emphasized in February, when average cost at Chicago, exclusive of pigs, advanced $1.60 per cwt., reaching $12 per cwt. on the last day of the month, when heavy butcher hogs made $12.40. Meanwhile the cattle market made no net gain, and experienced several severe reactions.

The upturn of the latter half of February—approximately $1 per cwt.—was spectacular, and due in some measure to muddy roads in the country, which restricted the primary movement and put the trade on a fresh-meat basis. Meanwhile packers, although accumulating a generous stock of lard, were selling both fresh and cured meats, especially the dry salt article. The South came into the market in unexpected manner, discrediting prophecy, made shortly after the World War, that within five years the Cotton Belt would be independent of the Corn Belt, so far as its meat supply was concerned. Packers displayed faith in that prophecy by acquiring or constructing a number of plants in the South that are now lying idle. Not only has the crop of hogs which Florida promised half a decade back failed to materialize, but, with its rapid increase in population, that state is now buying enormous quantities of bacon. The whole South has developed an appetite for choice cuts, in striking contrast to the grades of meats it bought before the war, and it is highly probable that this demand will be permanent. Even with a hundred million pounds of lard in their cellars, packers will have no occasion to walk the floor nights while meats are vending with current celerity.

Another prediction that went wrong was that, as post-war influence was dissipated, the host of butchers who entered the competition during that period would be eliminated. Nothing of that nature has happened; on the contrary, competition of this character has been a powerful influence in taking the market away from all semblance of big packer control. During the winter it has taken from 30 to 50 per cent of daily receipts at Chicago, in addition to heavy purchases at other markets. Obviously, the small killer is in the trade to stay. He has been a somewhat irregular, but heavy, buyer of 130- to 180-pound stuff, indicating that he is catering to a growing fresh-meat demand.

Naturally trade sentiment, opinion, and atmosphere have undergone a radical change. Packers have actually supported the market on rare occasions when shipping demand developed laxity. On other occasions the stubborn resistance they made to advances several weeks back has not been repeated. They are in possession of meats and lard, aggregating many millions of dollars in value, on which they are anxious to collect inventory profits that will be enhanced as hog prices work higher. Similarly, growers have recovered confidence. Every sow capable of delivering a litter of spring pigs is being solicitously attended, and a thousand stock pigs would find a buyer where one is available. The mob of pigs that descended on the early winter market has disappeared, and the few now available are prize packages for killers. The animal-husbandry experts, and other advisers of the farmer, are no longer discussing in academic manner disparity between corn and hogs, but are devoting their energy to the advocacy of economical production by eliminating or reducing pig losses—a subject on which many a chapter has been written. Dr. McCampbell, the animal-husbandry expert at the Kansas State Agricultural College, asserted recently that, unless that state raises more pigs per litter, cost will be around $8 per head, or $20 per cwt., at weaning time. Market atmosphere has changed almost overnight, especially in contrast with what was happening a year ago, when packers frequently refused to buy a hog until after noon, and when a sense of impending disaster hung over the trade. Since then the weekly run around the ten-market circle has dropped from something in excess of 1,000,000 to less than 800,000 head. Everybody now senses a still higher market, although rampant bullishness is as illogical as was despondent bearishness three months back. What the average grower is anxious to know is when the high spot will develop. July, August, and September will probably mark the climax.

## CLEVELAND PACKERS RETAILING MEAT

J. E. P.

EVILS SUSCEPTIBLE OF CURE inevitably compound and apply the essential remedy. Signs are detected that the remedial process is already in the inception stage with respect to meat distribution. Cleveland furnishes a conspicuous example; but the development is by no means confined to the Ohio metropolis. Trade papers printed in the retailer's interest scent the pending revolution, and are already vociferously demanding that killers abandon distribution methods. The fiat of the retailer, as voiced in these journals, is that the door of the killer's cooler shall constitute a dead line. No edict of this nature ever stopped an economic development.

In Cleveland a coterie of killers that has been multiplying since the war has not only invaded the retail sphere, but is selling meats to restaurants, hotels, and similar trade, which, according to the terms of the Palmer Consent Decree, is unethical. In the case of the so-called "national packers" it would be an illegal procedure, if the aforesaid decree is worth the paper it is written on. Anyhow, the smaller packer is outside its scope, and the big packer has no intention of becoming a retailer—at least until his position in the trade is jeopardized

by his present policy, for which the Palmer decree is in no sense responsible.

Naturally the small killer is imbued with the expansion idea. Having acquired a capacity for handling a hundred tons of product weekly, like Oliver Twist he hankers for more. His logical impulse is to open a retail market or hook up with a few restaurants. This process tends to eliminate the retailer, as it closes the gap. In Cleveland, where the movement has become pronounced, retailers are already feeling the pressure, their response being a boycott threat. A similar development is in progress at other eastern centers where meat trade is of large volume. Packers are watching it with concern, uncertain as to the effect it will have on their business.

During the past five years meat production has been on such a vast scale, and wholesale cost of beef and pork so low, that retailers have multiplied and thrived. This ephemeral condition is passing. Consumers derived scant benefit, especially in the case of beef, and should advancing wholesale cost be followed by corresponding increase in retail prices, consumption will be curtailed. The new movement is calculated to create a new alignment, which will be possible only by readjustment of distributive methods. In other words, a considerable percentage of those who have been doing reasonably well in the retail business by reason of the spread between wholesale and retail prices are due to disappear. Editors of trade papers who are lustily demanding that killers desist from poaching on retailers' preserves are merely heralding what is about to happen.

The *Butchers' and Packers' Gazette*, organ of the retail trade at Chicago, recently made a survey, which confirms the theory that retailing is overdone, 67 per cent of those interrogated replying that there were too many dealers in their respective localities. This would seem to locate the trouble definitely in the sphere of distribution. Obviously the readjustment process will put some of them "to the cleaners." They gained a footing in the trade during a period of cheap live stock and high purchasing power by the industrial masses.

Hotel and restaurant operators are anxious to establish direct contact with killers. It is an irresistible movement. Possibly the retail market of the future in most of the big cities will have behind it a processing plant operating a number of such distributing agencies, eliminating expensive trade solicitation or salesmanship. Present distributive conditions are uneconomic and temporary, if not intolerable.

## WEIGHT IN LAMBS NOT WANTED

J. E. P.

COLORADO FEEDERS have had an opportunity recently to realize that the heavy lamb has lost none of its unpopularity. If it ever had an inning, this would have been the season, as a high feed-bill always sends stuff to market in deficient condition. But lack of condition and excessive weight cannot be divorced. During February the spread between heavy unfinished and handy-weight finished lambs was as much as $3 per cwt., the former selling as low as $15 per cwt. when the latter were on an $18 basis at Chicago. Thin, light-weight lambs had the benefit of feeder competition, while feeders refused to consider heavy stock. While the country was paying $17 to $17.50 for light lambs, heavy stock in similar flesh went to killers at $15 to $16, and were not wanted at that basis.

A shipment of decently fleshed lambs was cut in two one day in February, the light end, weighing 95 pounds, getting $17, and the heavy end, weighing 105 pounds, $15.75. On the same market finished 75- to 85-pound stock earned $17.75 to $18, and big 108-pound stuff had to go at $15. A large percentage of the February output of Colorado feed-lots weighed 90 pounds or more, and, as too much of it arrived at one time, declines of $1.50 to $2.50 per cwt. were irresistible. Above 90 pounds weight becomes unpopular, and at 95 pounds the deadline is reached. Lambs weighing around or above 100 pounds, fat or in feeder flesh, have to go to packers for what they will bring, and then are not wanted.

Marketing big lambs late in the winter is a problem with which feeders must wrestle. Obviously the opportune time to unload them is before they attain the 90-pound mark. Suggestion of making a market for big lambs is worthless, as the public does not want the product any more than it wants heavy beef.

## THE ARIZONA CONVENTION

CATTLEMEN OF ARIZONA met in annual convention at Phoenix on February 10 and 11. The meeting was attended by representatives from all sections of the state. Great interest was shown in the formation of a live-stock loan company for the purpose of rediscounting long-time paper with the intermediate credit bank. The two Phipps bills—for a reduction of grazing fees on national forests by 25 per cent and for regulation of grazing on the public domain—were indorsed after animated discussion.

President Boice reported on the work of the Arizona Cattle Growers' Association during the past year, mentioning among its accomplishments the reduction from $17 to $15 per head in the assessed valuation of cattle, as well as its successful fight against increases in freight rates. The proposed action of the Forest Service in reducing the number of cattle grazed on Arizona forests by 37,000, he said, would work a very great hardship on the cattlemen of the state, as would the insistence by the Department of the Interior upon the removal of fences from the public domain. Mr. Boice pointed out the urgent need for a tariff on hides.

Other speakers were Fred I. Cruce, of the Santa Fe Railroad; John T. Murphy, chief of the General Land Office at Santa Fe, N. M.; Frank C. W. Pooler, district forester for New Mexico and Arizona; Don C. Babbitt, deputy land commissioner; B. J. McKinney, chairman of the Live Stock Sanitary Board; A. C. Williams, director of the Federal Farm Loan Board, who brought a message from President Coolidge; and Hubbard Russell, president of the California Cattlemen's Association, who explained the details of the marketing plan soon to be put into effect in California and adjoining states.

Resolutions were passed—

Calling for removal from Public Land Code of Arizona of provision that no lease shall be executed for less than $10 a year, and substitution of phrase "not less than 3 cents per acre;"

Urging Congress to enact legislation for regulation of grazing on public domain, thus preventing disaster to live-stock industry threatened by order to remove fences;

Requesting grant from Congress of an additional 5,000,000 acres of public domain for support of educational institutions of state;

Indorsing Phipps bill for reduction of grazing fees on national forests;

Petitioning State Tax Commission to reduce assessed value of privately owned grazing lands to not more than $1.50 per acre;

Approving California marketing plan;

Asking Congress to amend Tariff Act by placing import duty of 6 cents a pound on green and 15 cents a pound on dry hides;

Requesting President of United States to exercise his statutory authority to increase tariff on canned meats and tallow by 50 per cent;

Urging amendment to Agricultural Credits Act permitting national agricultural credit corporations to rediscount live-stock paper with intermediate credit banks;

Advocating measure for revision of live-stock laws of Arizona;

Recommending joint resolution pending in legislature for deferring payment on state leased lands for two years.

The officers of the association were unanimously re-elected for the current year: Henry G. Boice, president; A. C. Webb, vice-president; J. M. Ronstadt, treasurer.

As the American National Live Stock Association will hold its convention in Phoenix in 1926, it was decided that the state association meet again in that city next year, at the time of the national convention.

## CONVENTION OF KANSAS ORGANIZATION

CHARACTERIZED in press dispatches as "the most successful and optimistic session in many years," the annual convention of the Kansas Live Stock Association was held in Wichita on February 26 and 27. A feature of the program was the farewell banquet tendered William M. Jardine, the new Secretary of Agriculture, which was attended by more than one thousand persons. Resolutions were adopted—

Commending efforts of officers of association for reduction of transportation rates on live stock;
Favoring improvement of inland waterways;
Urging payment by federal government of Texas fever tick claims;
Requesting import duty on hides of five cents a pound;
Advocating use of pure-bred sires;
Thanking railways for making half-rates on pure-bred animals moving for breeding purposes;
Praising State Live Stock Sanitary Board for its work in eradication of bovine tuberculosis;
Recommending diversified farming;
Urging constructive good-roads legislation.

Frank M. Arnold, of Emporia, was elected president; L. M. Dakin, of Wichita, first vice-president; Arnold Berns, of Peabody, second vice-president; J. R. Blackshere, of Elmdale, third vice-president; William Keyser, of Grenola, fourth vice-president; and J. H. Mercer, of Topeka, secretary.

## PUEBLO STOCKMEN MEET

ON SATURDAY, February 28, the Pueblo County Stock Growers' Association met in annual convention at Pueblo, Colorado. Orderly marketing was the principal topic discussed. W. S. Hill, of the Colorado College of Agriculture, told of the efforts made during the past eighteen months to bring about closer co-operation between shippers and carriers in a study of production, marketing, and distribution problems through advisory boards. The association went on record as indorsing the proposal of the railroads to furnish information regarding market conditions.

J. W. Goss was elected president for the current year, W. E. Calhoun vice-president, and W. A. Hobson, treasurer.

## HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY of storage holdings of frozen and cured meats on February 1, 1925, as compared with February 1, 1924, and average holdings on February 1 for the last five years (in pounds):

| Commodity | Feb. 1, 1925 | Feb. 1, 1924 | Five-Year Average |
|---|---|---|---|
| Frozen beef | 111,870,000 | 79,944,000 | 120,548,000 |
| *Cured beef | 28,796,000 | 22,711,000 | 24,793,000 |
| Lamb and mutton | 2,337,000 | 2,306,000 | 19,614,000 |
| Frozen pork | 200,293,000 | 164,491,000 | 122,736,000 |
| *Dry salt pork | 136,478,000 | 167,507,000 | 197,575,000 |
| *Pickled pork | 443,352,000 | 468,892,000 | 363,950,000 |
| Miscellaneous | 98,178,000 | 81,922,000 | 80,962,000 |
| Totals | 1,021,304,000 | 987,773,000 | 930,178,000 |
| Lard | 112,607,000 | 54,130,000 | 70,559,000 |

*Cured or in process of cure.

## LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES showing receipts, shipments, and slaughter of live stock at sixty-five markets for the month of January, 1925, compared with January, 1924, and the January averages for the last five years:

### RECEIPTS

| | Jan., 1925 | Jan., 1924 | Five-Year Average |
|---|---|---|---|
| Cattle* | 1,868,607 | 1,888,022 | 1,783,527 |
| Calves | 515,884 | 500,051 | 428,435 |
| Hogs | 6,105,140 | 6,252,723 | 5,159,723 |
| Sheep | 1,466,556 | 1,697,422 | 1,714,689 |

### TOTAL SHIPMENTS†

| | Jan., 1925 | Jan., 1924 | Five-Year Average |
|---|---|---|---|
| Cattle* | 708,344 | 715,694 | 703,937 |
| Hogs | 2,175,544 | 2,197,877 | 1,850,934 |
| Sheep | 687,564 | 773,431 | 758,853 |

### STOCKER AND FEEDER SHIPMENTS

| | Jan., 1925 | Jan., 1924 | Five-Year Average |
|---|---|---|---|
| Cattle* | 206,556 | 242,687 | 261,933 |
| Calves | 12,497 | 11,468 | 11,556 |
| Hogs | 37,506 | 50,032 | 55,300 |
| Sheep | 137,979 | 149,117 | 180,488 |

### LOCAL SLAUGHTER

| | Jan., 1925 | Jan., 1924 | Five-Year Average |
|---|---|---|---|
| Cattle* | 1,149,821 | 1,155,284 | 1,052,722 |
| Calves | 370,438 | 367,951 | 309,550 |
| Hogs | 3,909,930 | 4,016,024 | 3,291,314 |
| Sheep | 786,367 | 919,506 | 953,019 |

*Includes calves.
†Includes stockers and feeders.

## THE MISTLETOE BILL

FOR MORE THAN A YEAR the Senate Committee on Agriculture and Forestry has had before it Senate Bill 2089, to amend the Packers and Stock-Yards Act, of which sections 202-a and 202-b, and the substitute therefor, were designed to prevent shipments of hogs to the Mistletoe Yards belonging to Armour & Co., and to force that company to buy its hogs on the Kansas City market. The bill, if enacted, would also have crippled the operations of many independent packers who buy hogs direct. After many lengthy hearings, the Senate committee, by a vote of 8 to 5, acted adversely on the bill.

Fred H. Bixby, president of the American National Live Stock Association, and E. L. Burke, one of the vice-presidents, appeared before the Senate committee last month in opposition to this bill.

## THE CALENDAR

**March 17-19, 1925—Annual Convention of Texas and Southwestern Cattle Raisers' Association, San Antonio, Tex.**

**March 23-24, 1925—Annual Convention of New Mexico Cattle and Horse Growers' Association, Santa Fe, N. M.**

**March 31-April 4, 1925—Inter-Mountain Live Stock Show, Salt Lake City, Utah.**

**April 7-8, 1925—Annual Convention of Montana Stock Growers' Association, Great Falls, Mont.**

**June 2, 1925—Annual Convention of Wyoming Stock Growers' Association, Douglas, Wyo.**

# THE PRODUCER

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## GENERAL BUSINESS CONDITIONS

SLOW EXPANSION is noted in most lines of business, affording support for a generally optimistic view, though the extravagant expectations held in some quarters at the turn of the year have not materialized. Toward the end of February cattle prices firmed, buoying up floundering hopes that the end of the valley of sorrows at last was drawing near; hogs made a magnificent spurt; sheep and lambs, while losing some of their earlier gains, were yet quoted at substantial advances over last year's figures; wool, in spite of slight recessions, remains at a high level; hides alone are dull. Reports from the winter-wheat area, under the influence of favorable weather conditions, are quite encouraging. In some sections of the country, however, more moisture is needed. With a decrease in the movement of grains from the farms, prices have stiffened.

Steel-buying has decreased, and coal-mining has slowed down. Lumber orders are slightly below normal, but the prospects are for a spring of record building operations. The automobile trade is rather spotty, but there are still no signs that the "point of saturation" is being approached. Textiles are stronger, with a consequent advance in raw-cotton prices. Both wholesale and retail business is on a healthy basis. There is but little unemployment.

In the money market, the rate on call loans has been increased to 5 per cent, and the discount rate at the federal reserve banks to 3½ per cent. Foreign exchange has, in the main, been steady, with Great Britain and several minor countries preparing to return to a gold basis. *Bradstreet's* food-index number for the week ending February 28 was $3.70—a drop of two cents for the month, but comparing with $3.29 for the corresponding week in 1924.

## GRAZING FEES

AS TOLD BRIEFLY in the February PRODUCER, there will be no increases in grazing fees on national forests during 1925 or 1926, according to an announcement issued by Secretary Gore before his retirement. Beginning with the 1925 season, it is proposed to issue ten-year permits. Instead, however, of providing for the addition, after 1926, of 25 per cent annually of the increases finally decided upon, until the full amount had been reached, as announced in the first report, these permits will contain a stipulation that fees for 1927, and yearly thereafter for the entire period for which they run, shall be fixed by the Secretary of Agriculture. Where range appraisals have shown the present year-long rates to be above a fair valuation of the forage, reductions will be made to apply immediately. In order to take care of new enterprises in the vicinity of the forests, such cutting-down in the number of animals allowed to be grazed will be made as the Forest Service through experience has found necessary to effect an equitable distribution.

This leaves matters, as far as any advances are concerned, about where they now are for the next two years. Of course, whatever definite agreements have been entered into by Mr. Gore will be honored by his successor, Mr. Jardine. The principal point gained is in having put off the approval of the Rachford report. By deferring action, opportunity is given for consolidating sentiment in and out of Congress. When the whole sheaf of national-range problems shall have ripened sufficiently for the legislative threshing-machine at its next session, there is reason to hope that opinion will crystallize around a single jurisdiction for the grazing on the two classes of the public domain, and that a solution will be found which will be elastic enough to be fair to all concerned.

## IMPORTS OF ARGENTINE MEATS

IT SEEMS that reports of the extraordinarily high prices at which lamb has lately been selling in this country have reached Argentina and tempted producers there to try their luck in our markets. In the review of the meat trade issued by the Bureau of Agricultural Economics for the week ending January 24, under the heading "Lamb," we find mention of "frozen Argentines" having been placed on sale in the East "in limited numbers," and bringing $23 to $25, as compared with $26 for the domestic product. From private sources we learn that a small amount of frozen Argentine beef has likewise been shipped to New York. The beef is being handled by jobbers and, we understand, is moving with difficulty.

This recalls the experiment of Armour & Co., a couple of years ago, in importing a quantity of New Zealand lamb and putting it on sale in the United States. The American consumer then did not take

kindly to the stuff, and most of it was reshipped to England. It remains to be seen whether this new speculative venture will have better success. If the Argentine product—lamb or beef—is of such quality that its slightly lower price-level will be sufficient to overcome the prejudice of our public against anything but home-grown meats, then the question of adding a few bricks to the tariff wall will soon become urgent. A condition where, on top of his many other troubles, the American producer would have to be exposed to ruinous competition from abroad, would be too absurd to endure.

## THE NEW SECRETARY OF AGRICULTURE

FROM A FIELD of about two hundred candidates—some active, others merely "receptive"—President Coolidge, with characteristic deliberation, has chosen his new Secretary of Agriculture. The man is Dr. William M. Jardine, president of the

HON. WILLIAM M. JARDINE

Kansas State Agricultural College at Manhattan. It is the first member of any cabinet ever to be appointed from Kansas.

Dr. Jardine brings to his new post a sum of varied experience. Born on a ranch in northern Idaho in 1879, he spent the first twenty years of his life helping grow crops and raise cattle. At twenty-five he was graduated from the Agricultural College of Utah, remaining there as instructor in agronomy, and later becoming manager of a farming company. In 1907 he went to Washington to act as "cerealist" with the Department of Agriculture, and while there built up a reputation as an authority on dry-farming. After three years in that position, he returned to the West, going to the Kansas College, where he has been since, first as professor of agronomy, later as dean of his department, and since 1918 as president. He has served on the advisory committee of the Food Research Institute of the Carnegie Foundation, acted as president of the International Dry-Farming Congress in 1915-16, holds membership in the American Association for the Advancement of Science, and was a member of the President's Agricultural Conference.

In praise of Dr. Jardine it is said by papers in his home state that he knows agriculture—which should be taken for granted; that the interests of the farmers will be his guiding star—which is equally a matter of course; that he has excellent executive ability, and much courage. As proof of the latter quality, it is cited that he was an uncompromising opponent of the McNary-Haugen bill.

He will find much to do at Washington. There are many problems—some of them of a highly controversial character—awaiting solution. In his relations with other departments there will be occasion to exhibit all the grit and independence with which the gods have endowed him. A further handicap—and perhaps not the least—lies in the record and personal characteristics of the dead man into whose shoes he steps.

THE PRODUCER, in congratulating the new secretary, expresses the hope that he may triumphantly surmount all obstacles and establish a reputation to which Kansas and the West in future may justly "point with pride." We believe that the interests of the live-stock industry will be safe in his hands.

## TO TAX OLEOMARGARINE

IN THE LEGISLATURES of several states this session bills have been introduced which would prohibit the sale of oleomargarine to state institutions and require heavy licenses on the part of dealers in that commodity. These bills are fostered by the dairy interests. They should not pass. Next to hides, oleo oil is the most important by-product of beef cattle. To penalize this product would be to impose an intolerable burden on an industry that already has more than it can bear. If the dairy business is now suffering from overproduction, to shift part of its load onto another, related industry that for years has been struggling against tremendous odds, of which overproduction is only one, while butter-makers have prospered, would be grossly unfair.

# THE STOCKMEN'S EXCHANGE

## THE AGRICULTURAL CONFERENCE

LARKSPUR, COLO., February 17, 1925.

TO THE PRODUCER:

The three current reports of the President's Agricultural Conference constitute a platitudinous and disappointing document; the disappointment lying, not in the fact that the report is meaningless, but in the realization that it was apparently dictated by political expediency rather than by any real interest in the questions involved. It was fairly patent from the beginning that little, if any, tangible relief could be hoped for. There is no specific, legislative or otherwise, for agricultural depression, and a simple statement of this fact from the committee would have been accepted, not as a confession of incompetence, but as a pledge of sincerity. It would probably have been too much to expect such strict simplicity from those members of the board who were interested in the agricultural portfolio, but a common-sense minority report was certainly within the realm of possibility. The amazing feature of the business is the dispatch with which apparently all members of the conference have cut their political wisdom teeth. The result of their lucubrations constitutes a document that might well be embodied in a text-book on diplomacy. It follows all the time-honored rules, and reads as though it might have been dictated by God, under advice of counsel.

It seems to have been generally recognized at the outset that the most serious problem confronting the conference was the emergency existing in the live-stock industry, and their first report was designed to deal with this situation. It starts with the premise that "evidence at hand indicates that the breeding stock now on farms and ranges has been reduced to the point where future production will not be greatly in excess of normal demand. Therefore confidence in the industry is warranted," etc. Just what constitutes this evidence at hand, deponent sayeth not; but an elementary knowledge of the present status of live-stock census figures would justify one in viewing it with a degree of skepticism. However, this is doubtless a quibble, and, lacking reliable information to the contrary, we can let the premise stand. "Production will not be *greatly* in excess of normal demand. Therefore," etc. This is decidedly a case of *non sequitur*. If production is even slightly in excess of demand, confidence is not warranted, as a glance at daily market reports will demonstrate. A one per cent surplus is enough to "bust" a market high, wide, and handsome, as every packer knows. Granting, therefore, that the conference is correct in assuming that production will not be greatly in excess of demand, what the industry needs is not additional credit, but additional liquidation.

Probably the only field in which the conference had even a chance to achieve practical results was in the matter of a tariff on hides. This was a simple, concrete proposition which might have produced definite and immediate results. The stockman's demand for such a tariff was unanimous and reasonable. It would have materially increased the value of his product, and it would not have made five cents' difference in the price of shoes. But the tariff is a politicians' nightmare, and the conference avoided an issue with neatness and dispatch.

After all, the affair is dead and buried, and there is little profit in disinterring the corpse. I merely confess to a suspicion that the members of the conference have been studying the opinions of the abbé Jérome Coignard, who, confronted once with a like situation, remarked: "I confess that up to now I have been too reasonable in my criticism of laws and manners. And so this judgment will fall without fruit and wither as a tree bitten by April frosts. To help mankind, one must throw aside all reason as an incumbrance, and rise on the wings of enthusiasm." The conference has avoided the abbé's error, and doubtless its judgments will bear glorious fruit.

R. P. LAMONT, JR.

## FOREST SERVICE BREAKS FAITH WITH LIVE-STOCK MEN

PHOENIX, ARIZ., February 9, 1925.

TO THE PRODUCER:

An order recently issued by the Forest Service reduces the cattle permitted to be grazed on the national forests of the State of Arizona by some 37,000 head and the sheep by about 77,000 head. This is approximately 29 per cent of the total number of cattle and sheep grazing on public lands in the state, and comes immediately upon a 10 per cent cut which the stockmen had voluntarily made.

The peril of the last great cut is that it reduces the various units of live stock below the point where they can be profitably maintained; in other words, they are brought below the economic profit-producing point. Stockmen have made several million dollars of property investments on government lands on which it is impossible, with the small number of animals allowed to be raised, to produce enough to get a return. All this investment was primarily made with the notion that a return would be permitted. But, with the recent great reductions in the herds, not only are returns out of the question, but banks are calling in their loans, and it is now impossible for most stockmen to pay even the grazing fees. The market is flooded, and prices are down.

All the proposed financial assistance from the government will be of no avail if the size of herds is not permitted to be such as to warrant a return on investment. If herds are to be cut below what may be called an economic unit, the industry cannot survive, because there would be no profit whatsoever in it.

It appears that all the conferences we have had, and all the understandings, have come to naught. The cattlemen believe that faith has been broken with them. Conditions are not only bad—in many cases they are almost tragic. Some solution must be forthcoming soon, if any real help is to be rendered.

It has been suggested that a moratorium on grazing fees be established of from one to three years, or that the fees be

cut to the minimum necessary for the cost of administration, which would be about 16 or 17 cents a head instead of $1.

What the stockmen want is a cancellation of the last reduction order; for they believe that stock has already been cut to the lowest figure. They do not object to other cuts, if found possible or necessary; but drastic cuts are highly injurious to them.

The Forest Service is naturally interested in the perpetuation of the national forests, and believes that the presence of grazing animals is detrimental to that purpose. But it has been demonstrated that the seeds of junipers, cedars, pines, and other plants are capable of germinating in an animal and passing off unharmed, and of thus propagating the growth as well as, if not better than, by other natural means. This interesting fact was brought out by W. C. Barnes in THE PRODUCER a year or so ago.

FEN S. HILDRETH,
*Secretary, National Forest Permittees' Association of Arizona.*

## PACKERS AS RETAILERS OF MEAT

CHICAGO, ILL., February 15, 1925.

TO THE PRODUCER:

An editorial article in THE PRODUCER for November, 1924, after commenting on the failure of this organization to discuss the retailing of meat at its last convention, asks for "the facts" of the packers' attitude toward meat-retailing. We are glad, indeed, to have this opportunity for stating our views, and shall attempt to set out the packers' position. Let us say at the beginning that the Institute of American Meat Packers undoubtedly is as keenly interested in efforts to improve the distribution of meat as any other single agency in the live-stock and meat industry.

Putting aside, for the sake of argument, the so-called "Consent Decree," which prohibits the larger packers from entering the retail field, we must admit that we are not at all sure that it would be feasible for packers generally to enter the retail field. It is true that some packers do retail; but we do not understand that packer retailing is conducted on a very broad scale. Some packers have been retailing on a limited scale for many years.

It is also true that the Vestey interests have a large chain of retail stores in England, but it is our conviction that conditions there are very different from those here. In the first place, retail dealers in England evidently have no such prejudice against retailing by packers as exists in this country. Furthermore, according to a report by Charles J. Brand, of the Department of Agriculture, "the Vestey interests compete with the wholesalers to whom they sell as packers and with the retailers to whom they sell as distributors and importers." In this connection, it is important to note that the Vestey interests handle Argentine beef, which is practically a standardized product, and cater to a trade which is willing to accept this product.

Most packers in this country, moreover, do not seem to be interested in owning and operating retail stores. This is doubtless because of certain specific elements involved. The packers would have to build up a separate organization to operate a business in which they have had no direct experience. An entirely new set of men would have to be employed to run the shops. There would be no guarantee that hired shop managers would operate more efficiently than owners. The contrary should be expected. It has been found that retail meat stores are difficult to run under hired managers. In grocery stores the managers can be checked up on every item turned over to them. This cannot be done in the retail meat store, and carelessness in cutting meat and other complications might soon cut out all profit. This is one reason why chains have not developed in the meat trade to the extent that they have in the grocery trade. Furthermore, some packers who engaged in retailing probably would find it necessary to establish sufficient shops to absorb their entire output, owing to opposition from retailers with whom they would be competing. For any one packer, or all packers, to absorb their entire output, or even half of it, would require a considerable amount of capital.

There is no guarantee, in fact, that packer ownership and operation of retail stores would result in substantially lower margins. Meat would still have to be distributed through small neighborhood shops, because people want to buy their meat within three or four blocks of where they live. According to the survey by Northwestern University and the Department of Agriculture, average operating costs, under present ownership, are about 19.5 per cent of sales, exclusive of the dealer's profit, which averages 2 to 3 per cent of sales. Two-thirds of the operating cost is made up of wage expense, and the wage rate would not be materially different under packer ownership.

Another thought in this connection is that carrying out the suggestion of THE PRODUCER might involve the antagonism of the public who are expected to buy the meat. During hearings in Washington before the Senate Committee on Agriculture, the chairman of the Federal Trade Commission claimed that American packers owned and operated retail stores in England, and held this up as a horrible example of what they might do in this country. There was no truth in this statement, but the mere fact that it was made indicates that there are those in the United States—especially perhaps among consumers—who would be opposed to packer ownership of retail stores. This phase of public opinion would have to be taken into consideration.

Finally, it seems to us that the better step would be, not to try to establish a new and untried system full-grown, but to improve the old. If the entire live-stock and meat industry will co-operate with the retailer to this end, we believe that much can be accomplished.

In connection with Mr. Poole's remarks on "Meat Distribution and Retail Costs," which also appeared in the November issue of THE PRODUCER, we believe it is only fair to point out that, according to the figures of the United States Bureau of Labor Statistics, the average retail prices of nine staple meat articles during the last year have averaged from 1 to 15 per cent nearer 1913 levels than all other articles of food listed by the bureau. This would indicate that meat-retailers have increased their margin less, since 1913, than the retailers of other staple foods.

INSTITUTE OF AMERICAN MEAT PACKERS,
By WESLEY HARDENBERGH.

## HIGHER PRICES MEAN LOWER CONSUMPTION

GAZELLE, CAL., February 22, 1925.

TO THE PRODUCER:

It is with much interest that I look forward to the arrival of THE PRODUCER each month. Its articles I believe to be a helpful asset in any cattleman's business. The power of correctly presented arguments is of much assistance in co-ordinating one's plans. If we could all have this advantage, I think it would be a long step toward our ultimate goal—the placing of the cattle business on a profitable footing.

I read the report of the Albuquerque convention with a great deal of interest. It strikes me that the speakers in their recommendations all missed a point which is of vital importance to our industry—and that is consumption. Without consumption no industry can flourish. The way the raisin-growers became successful was through co-operation and creating a larger market by promoting a heavier consumption of their

product. We only have to think back a matter of about thirty years to realize this, comparing conditions then with those of today. It is this increase that makes the business handled upon a small margin profitable.

In the beef business we do not have to put on an educational campaign to stimulate consumption, but only to see to it that the consuming public is furnished our products at a price more nearly on a par with what we receive for our animals at wholesale or "on foot," and which will compare more favorably with the average wage-earner's capacity to buy. This fact has been quite well brought out in your articles "Meat-Retailing Methods Sadly in Need of Reform" and "Studies in Meat-Retailing" in the February PRODUCER.

I have had the opportunity, in the last few months, to meet a good many people who should form a large portion of the beef-consumers of the northern part of this state. These men support families and have to buy their supplies at retail. When approached upon the matter of meat, they nearly always gave the same answer: "The price is too high for us to afford it as a staple article of diet for our families. While we are never satisfied without it, something else that is cheaper has to be substituted, and we make believe we like it." As one party put it: "We used to have meat on our table on an average twice a day; but now if we have it twice a week we are lucky." This last proportion could hardly be considered a fair average, but it is safe to say that the consumption of meat has been cut down 50 per cent—primarily through the high price to the consumer, which, in large part, is unjustifiable, as the wholesale butchers are not charging such an outrageous price, although their yearly turn-over profits average a great deal more than those of the actual producers. However, if we could retrieve a half of that lost 50 per cent trade, just stop and think what a difference it would make in the demand for beef throughout the United States! It is this difference that causes the gluts we hear so much about, rather than overproduction. In fact, I doubt if there would be any overproduction if everyone could have all the meat to eat that his appetite craves.

The same thing might be said of hides. No one is going to make general use of leather at the present price, when he is lucky to get $2 for a green hide. We always used to keep a hide of leather on hand for repair work, but leather has gone out of the reach of most of us now. A neighbor offered to trade a merchant five hides for a pair of shoes not long ago, and was turned down. Now, what is right about that?

A business must have consumption to be flourishing, and it can then be carried on on a small profit, and pay; but big profits and a small volume are a poor trade stimulant.

A. P. WILLIAMS.

## WAR RESPONSIBLE FOR PLIGHT OF BEEF-PRODUCER

GOODING, IDAHO, February 2, 1925.

TO THE PRODUCER:

Cattle came in from the range thin last fall, and, because of grasshoppers and a shortage of water, we had no fall pasture. We were short of feed. A severe winter came on early and lasted long; and now mud is excessive—to be followed by I know not what. All this combines to make the cattle business the most disastrous of any year I have ever experienced. "Is it gloom I have for sale?"

Cattle prices are good for the buyer. The market is always flooded, with no outlet for the meat. Why? Can we remember back when hotels and restaurants were urged to serve smaller portions of meat, and that this was followed by meatless days? Eating was high, and still is high, and the small portions of inferior quality are still being served. We have never authoritatively been told that the war is over, and that steaks and roasts of pre-war size and at pre-war prices were again in order. During the war everything possible that could be done was done to curtail the consumption of beef. In this way they succeeded, I believe, in lessening per-capita consumption by some fifteen pounds. Nor in all our griefs has Congress or any commission given us relief through the urging of the use of more meat, an adequate tariff on beef and hides, and a truth-in-meat bill, which would forbid venders to substitute the dairy meat that the longer you chew it, the more like rubber it becomes, for the kind that melts in your mouth and tastes like beef.

C. A. LUTHER.

## THE CATTLEMAN'S DOLLAR

SILOAM, COLO., February 6, 1925.

TO THE PRODUCER:

Another year has gone by, and once more, as the modern counterpart of "the widow's mite," I produce "The Cattleman's Dollar." This is about the only dollar that I like to spend. It yields unusual satisfaction, in that it goes not only from, but also to and for a Producer.

The fact that I still have a handful of cattle, and that I am bidding on them and playing them, in spite of the present certainty that sheep are trumps, will show that I have considerable confidence in the dealer, and may qualify, to some extent, the suggestion of pessimism in the following verbosity:

How long, old-timer, how long
Shall the cowman's "can" be the buyer's canner,
And the cattleman just a western manner,
With coat of tan for the final tanner?

How long must the cow at the market cower,
Her present now at the most an hour,
While the very sow makes her lot look sour?

How can she grow when her wretched grower
Of long ago (and so long a goer)
Is down so low he can get no lower?

So let us pray, and be this our prayer:
Give her away to an honest weigher!
She's had her day; we no longer dare
To feed our hay for her hide and hair.
(Let the Santa Fe pay her santa fare!)

She did her bit, and it's mighty bitter
To have to quit, but we've got to quit 'er;
For where she lit has been full of litter
So long, old-timer, so long

That, although you're few, and the cow is fewer,
There's nothing new but that something's newer.
So here's to ewe and the lamb that you're
About to endue, if you but endure
To take the "cue" for the sake of cure.
So long, old-timer, so long!

LIONEL J. LIVESEY.

## NEBRASKA LOOKING FOR BETTER TIMES

CODY, NEB., February 28, 1925.

TO THE PRODUCER:

With the exception of about six weeks of very severe weather during December and January, we have had a very good winter. Our stock is looking well for this time of year, with plenty of feed to finish wintering. We are all looking for a real come-back in the cattle business this year, and I hope that we shall not be disappointed.

DAN ADAMSON.

# WHAT THE GOVERNMENT IS DOING

## AGRICULTURE AT WASHINGTON

CONGRESS ADJOURNED on March 4 without taking final action on any of the agricultural bills introduced since the session opened—with three minor exceptions, as set out below. Thus the legislative program of the President's Agricultural Conference has gone into the discard, together with numerous other measures for the relief of the farmer and the live-stock producer. As there at present seems no prospect that President Coolidge will call an extra session of the new Congress, this means that nothing will be done until next December—if then.

* * *

*Irrigation Projects.*—The bill introduced by Senator Kendrick, of Wyoming, for the regulation of sales of land on government irrigation projects (mentioned on page 23 of the February PRODUCER) has been passed by Congress and signed by the President.

* * *

*Return of New Mexico Cattle.*—Under a joint resolution introduced by Representative Garner, of Texas, passed by Congress, and signed by the President, the time during which live stock shipped or straying into the Republic of Mexico prior to May 1 may be returned duty-free has been extended until December 31, 1925.

* * *

*Forest Fees.*—On January 31 the Senate passed and sent to the House the Phipps bill reducing grazing fees on national forests 25 per cent. On February 19 the Senate adopted a joint resolution, introduced by Senator Cameron, of Arizona, authorizing the Secretary of Agriculture to waive all fees during 1925.

On February 28 the House of Representatives passed a resolution of its own, authorizing the Secretary of Agriculture to waive one-half of the fees in drought-stricken regions during 1925. This resolution was accepted by the Senate and has been signed by the President.

* * *

*Export Corporation.*—On February 17 the Senate Committee on Agriculture and Forestry reported favorably the McNary-Haugen bill providing for the creation of a $50,000,000 government corporation for the export of farm products. This is the bill rejected at the last session, with the price-fixing feature eliminated. The bill, on February 24, was also favorably reported by the House committee, but did not come to a vote.

* * *

*Co-operative Marketing.*—On February 21 the Capper-Haugen co-operative marketing bill was reported favorably by the Senate Committee on Agriculture and Forestry. On February 26 the House rejected the measure and substituted the Dickinson bill, which would create a marketing board to give advice to co-operative associations, but eliminates all provisions for federal registration, licensing, or auditing. The bill got no farther.

* * *

*Packers and Stock-Yards Act.*—No action taken on amendments. (On the Senate bill which would prohibit the maintenance of private stock-yards, see article "The Mistletoe Bill" on page 12.)

* * *

*Long-and-Short-Haul Bill.*—The Gooding bill, as passed by the Senate, on February 11 was rejected by the House Committee on Interstate Commerce.

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*Tariff on Hides.*—A bill providing for a tariff on cattle hides has been introduced in the House by Representative Lineberger, of California. No action taken.

* * *

*Public Domain.*—Investigation of the administration of the whole public domain by a joint congressional committee would be authorized under a resolution introduced by Senator Jones, of New Mexico, and approved by the Senate on February 27. No action in the House.

## OUTLOOK IN LIVE-STOCK FIELD

SUPPLEMENTING OUR QUOTATIONS (on page 39 of the February PRODUCER) from "The Agricultural Outlook for 1925," issued by the Department of Agriculture, we here present in somewhat fuller scope the government's views of trends and prospects in the live-stock industry for the current year, with particular reference to the West:

*Beef Cattle.*—"The sun of hope for the cattleman seems to be in sight, but it is still on the horizon, and will probably not reach the zenith until several years hence. For the next few months reductions in the number of cattle at markets will be confined largely to better grades—or, in other words, grain-finished cattle. Lower grades will be plentiful, and the supply is expected to meet increased competition from dairy cattle. Presumably the price spread between the better grades of grain-finished cattle and the lower grades will lessen in seasonal manner during the next few months, and then widen materially as the year advances. Because of the probable relative scarcity of heavy cattle, it is not expected that light slaughter steers will hold, through the summer months, a price premium over comparable grades of moderately heavy weights. The trend of consumer demand in recent years, however, has been very definitely in favor of light cattle. With any improvement in the feed situation and in the prospective prices for fed cattle, a fairly active demand for stockers and feeders is expected in the fall of 1925, and prices on such cattle should average quite a little higher than in the fall of 1924. . . . The high cost of feed will no doubt shorten feeding periods, thus limiting the number of well-finished cattle for the summer and fall markets.

"Even at present price-levels, American beef cannot compete with Argentine beef in European markets; so there is no prospect of an improved export trade. On the other hand, any probable increase in the price-level is not likely to be great enough to attract Argentine beef to the United States.

"While industrial conditions are expected to continue favorable, the greatest strength in the beef market will be due to the decreased supply of pork products. Pork has been relatively more plentiful and cheaper than beef. The price situation has

changed materially during the last six months, and consumers' demand is expected to shift more to beef as the supply of pork diminishes."

*Hogs.*—"Conditions are favorable for expanding fall farrowing. Breeding plans should be based, not on present price relations, but on the relations that are expected to prevail when the pigs are ready for market. A further reduction in hog production is highly undesirable, both from the point of view of requirements for domestic consumers and from that of long-time policy of production.

"The present business situation indicates that during 1925 American demand will be at least as active as during 1924. The foreign outlook is for steady demand, the improved purchasing power of Germany and the gradually improving economic conditions in other countries enabling them to continue as active bidders for pork and lard. However, still higher prices will undoubtedly result in decreases in the volume of our pork and lard exports. Present supply and demand conditions are sufficient to assure a year of prices higher than in any recent period except that of war-time inflation.

"The chances are in favor of fall pigs proving profitable enough to justify some expansion in sows bred for fall farrowing above the number of last year. Fall farrowings may be materially increased by breeding gilts for early fall farrowing that might otherwise be sent to market. It is probable that prices will be good for sows next winter. In fact, the full force of the shortage of hogs will probably not be felt in the markets until the early part of the run of 1925-26 or later, depending upon the size of the 1925 corn crop."

*Sheep and Wool.*—"For more than two years lambs and wool have commanded prices well above those of most farm products and more than 50 per cent above the pre-war level. After 1925 some recession in returns from sheep may occur. It would seem, however, that in those areas where feed and range are available, or where sheep can be used in building up a diversified system of farming, prices will, for the next few years, remain sufficiently high to warrant moderate increases in present numbers. Market receipts of sheep and lambs may show a moderate increase over those of 1924, but, with somewhat better demand, it is not anticipated that this increase will be sufficiently large to bring about any marked lowering of the average price. Frequent and wide temporary and seasonal fluctuations in price, however, are anticipated.

"With low business activity, American mills consumed about one-sixth less wool in 1924 than in 1923. There has been a decided increase in activity since the middle of 1924, and, with expected further improvement in business activity, it seems probable that the demand for wool during 1925 will be stronger than during 1924. Our wool prices are still somewhat below the world level, taking account of the tariff, and, with increasing domestic consumption, further advances may occur.

"There is a close relation between lamb prices and supplies of lamb. However, the demand for lamb is sufficiently elastic so that the market can absorb considerable increases in production at only a slight decrease in price.

"During the past year or two there has been a rather marked tendency for cattlemen to shift to sheep, and, if this movement continues for a time, it will materially increase and hasten expansion in the sheep industry. Better prospects for cattle may, however, tend to halt this shift of cattlemen from their own line of husbandry."

## THE CONSENT DECREE

LAST DECEMBER, actuated by the efforts of two of the big packers—Armour and Swift—to have the so-called Consent Decree vacated, the Senate passed a resolution directing the Federal Trade Commission to submit to it all information in its possession concerning the decree. On February 19 the commission reported. It reviews the history of the decree, outlining the circumstances leading up to it. Although five years have now elapsed since the agreement to divest themselves of their stock-yard holdings was signed by the packers, the commission points out that to date only 22.7 per cent of these holdings have been disposed of. It is recommended that steps be taken, by the courts or by Congress, to compel the sale of these properties, either to the principal connecting railroads or to separate companies.

Another recommendation made is the divorce of the big packers from control of refrigerator cars. The commission suggests the formation of an independent company which is to take over the ownership, operation, and routing of these cars, so that they will be made available on equal terms to all meat-packers and other food-distributors. On the question of securing permission for the packers to resume distribution of canned goods, fruits, and groceries, for which purpose the California Co-operative Canneries has intervened in the present proceedings, no recommendation is made; the commission saying, however, that if the big packers are deprived of their monopoly over refrigerator cars, and of their competitive advantages over wholesale grocers arising from such monopoly, the whole question of packer manufacture and sale of groceries would become one of less importance.

## ARMOUR-MORRIS MERGER

ORAL ARGUMENTS on the validity of the acquisition by Armour & Co. of the business of Morris & Co. were to have commenced before Secretary of Agriculture Gore in Washington on February 17. Owing to the fact, however, that it was thought impossible to handle a case of this importance in the short time remaining before March 4, when a new secretary would take office, by agreement of counsel the hearings have been postponed.

## WOOL-RATE INVESTIGATION

FURTHER HEARINGS in the case involving the establishment of through routes and reasonable joint rates in the transportation of wool from Pacific coast and intermediate territory through the Panama Canal to Boston and other North Atlantic ports have been assigned by the Interstate Commerce Commission for March 23 at Portland, Ore., and April 3 at Chicago, before Commissioner Campbell and Examiner Paul.

## PROGRESS OF TUBERCULOSIS ERADICATION

THE NUMBER OF HERDS of cattle officially accredited as free from tuberculosis on February 1, 1925, had reached a total of 62,273, containing 1,133,711 head. Herds found free of the disease after one test numbered 745,014, with 6,469,031 head. Counties accredited as being virtually free from bovine tuberculosis numbered fifty-nine. The list waiting to be tested included 242,511 herds, containing 2,560,959 cattle.

## AMERICAN TO DIRECT WORLD CENSUS OF LIVE STOCK

LEON M. ESTABROOK, formerly chief of the Division of Crop and Live Stock Estimates under the Bureau of Agricultural Economics and lately United States commissioner of agriculture in South America, has been appointed director of the first world census of agriculture and live stock, to be held under the auspices of the International Institute of Agriculture at Rome. Mr. Estabrook plans to leave for Italy in April.

## CHESTER MORRILL RESIGNS

JUST AS WE GO TO PRESS, the news reaches us that Chester Morrill, assistant to the Secretary of Agriculture in charge of the administration of the Packers and Stock-Yards Act and the Grain-Futures Act, has severed his connection with the department, to become assistant general counsel for the War Finance Corporation.

# THE MARKETS

## LIVE-STOCK MARKET IN FEBRUARY

BY JAMES E. POOLE

CHICAGO, ILL., March 1, 1925.

TRADITION has it that after a short corn crop the fat-cattle market has never been equal to a creditable performance until the following May. This year April is considered the appointed time, as the crop of steers that went on feed last fall has been persistently pushed toward the shambles, and, as replacement has been restricted, it cannot last forever. Already the "wise guys" in the business are taking time by the forelock, anticipating an inevitable rise in stock cattle by acquiring fleshy feeders. What the fat-cattle market needs to revive, if not restore confidence, is an advance of $2 per cwt.—not an ephemeral bulge, but a substantial appreciation.

### End of February Sees Cattle Advance

Meanwhile stability has been lamentably lacking. Not until the latter part of February did market action afford feeders substantial encouragement. At that juncture hogs jumped $1 per cwt. almost overnight, swine trade running from a succession of gluts into a period of comparative scarcity. Simultaneously the cattle movement was curtailed, demonstrating that the public is still eating beef. Between the mid-February period of cattle-market demoralization, when no dependable outlet existed for anything except a few yearlings and covered pens at the stock-yards were crowded with stale heavy bullocks, and the brisk end-of-the-month trade, prices advanced $1.50 to $2 per cwt. on the rank and file of fed cattle, and, instead of a burdensome nightly carry-over, cattle were well cleaned up by noon.

### Killers Show Timidity

All through the winter feeders have been in possession of an effective pulmotor, as, whenever prices slumped, they had only to cut the weekly run 10 to 20 per cent to effect prompt recovery. Killers have never been so timid, nor distributors more reluctant to carry a little beef over the week-end in their coolers. So far as the distributive arm of the trade is concerned, persistent scarcity-forecasting has failed to exert a favorable psychological influence. Feeders have also resented even suggestion that a time was coming when cattle would be worth more money.



### Heifers Profit by Yearling Scarcity

March will undoubtedly deliver a goodly grist of short-fed cattle at western markets. The old crop of long-fed bullocks weighing 1,350 pounds and up is practically exhausted, even the 1,700-pound type getting into the $11 class late in February. So scarce have standard yearlings been that anything convertible into that kind of carcass has been a specialty, particularly heifers weighing 600 to 800 pounds, which actually advanced at a time when the rank and file of cattle weighing 1,100 pounds and up broke 75 cents per cwt. in a few days. Possibly the trade will need a few heavy cattle the rest of the season; but making that kind is a gambling proposition, especially when they have been carried on corn eight to twelve months, as was the case with many of the big steers marketed this winter.

### Grass Beef Cleaned Up

Western grass beef, put away in freezers last fall, has been worked off during the winter, but at prices that did not show substantial profit, as carrying charges were heavy. It was not until late in February that packers admitted depletion of stocks of the cheaper types of beef. Then they found themselves in competition with feeders on warmed-up steers that had been selling at anywhere from $7 to $7.75, their needs forcing them to divert such cattle from feed-lots to the shambles. Incidentally the cow market was propped, a class of butcher cows that had been vending at $4.50 to $5.50 taking an advance of $1 per cwt. or more. A condition is developing that should create a good market for the early run of Texas grassers and cake-feds; likewise for any hay-fed beef which the Rocky Mountain country has in concealment.

### Few Young Fat Steers Available

The only phase of the market not productive of complaint concerns yearling stuff. As few fat steers of that age were available, killers went somewhat greedily to heifers, which have sold at anywhere from $7 to $10.50 per cwt., according to quality and condition, although weight has been an important factor. Demand for light cuts and steaks is indicated by a daily scrap over the 600- to 750-pound delegation, scarcity forcing killers to take 850- to 900-pound heifers, nothing being heard concerning consumers' prejudice against heavy heifer product. This market should popularize heifer calves next season. It demonstrates the wisdom of segregating steer and heifer calves in the feed-lot, as the latter fatten more readily, making them eligible to an early market.

### Corn Shortage Forces Early Slaughter

Steers by the hundred thousand that were merely in feeder flesh have trooped to the shambles all winter, maintaining a wide spread, as common cattle sold around $6 at the middle of February and choice yearlings from $12 up. These cattle were deficient in fat and beef yields. With a normal corn situation, many of them would still figure in the visible beef supply; but they are out of the way, and most of them have paid for the corn consumed. The residue of the crop is in strong hands, many feeders having already "pegged" their price. On a rising market there is always a disposition to carry cattle, if corn is available, feed being the factor of major importance.

### Hogs in Rapid Rise

Hogs advanced $3 per cwt. between early December and late February, putting them about $4 per cwt. higher than the corresponding period of 1924, while fat cattle were on practically the same basis as at that time. There was a heavy accumulation of lard during January and February, but meats—both fresh and cured—sold readily; in fact, the stock of dry salt meats was never heavy. Hogs advanced from a $10.50 to an $11.50 basis at Chicago almost without interruption, and

despite liberal receipts, the coterie of big packers rarely having much to say about making the market. During this period cattle trade was not only violently erratic, but was unable to score net gains—in striking contrast to the mounting hog market. Pigs that were slow sale in December at $5.50 to $6 per cwt. were marked up to $10 to $10.50 late in February, and when heavy hogs went to $12 shippers paid up to $11.50 for light stuff. The only criticism of the hog advance is the huge stock of lard. Much of it is in the hands of packers, one concern being credited with a holding of 30,000,000 pounds. It may be good property, especially if summer production proves to be light; but lard substitutes are relatively cheap, and are displacing pure lard to an extent not generally realized. Europe is taking far less lard than a year ago, and, if the accumulation continues, distribution at remunerative prices may be a serious problem.

### Lambs Climbing Down

Lambs broke about $1.50 per cwt. when Colorado and Nebraska feed-lots began disgorging freely in February. A few too many, together with high retail prices, did the work. From a $19.25 top, lambs dropped to $17.75, and at one time in February packers bought lambs at $16.75 to $17. Whenever Buffalo got a run, eastern orders at Chicago were curtailed, and competition reduced to that extent. To make matters worse, much of the stuff was marketed in little better than feeder flesh, feeders taking out a lot of such lambs at $16.75 to $17.50. Congestion at New York was such at the middle of February that considerable stuff went to the freezer. Packers assert that they lost heavily by February operations, and it is probable that the trade was unremunerative. Sheep have been scarce all winter—a fortunate circumstance, as little heavy mutton is wanted. Fat ewes sold largely at $8.50 to $9.50 per cwt. Another high spot in the lamb market will be due when the bulk of the Colorado holdings has been disposed of.

## STOCKER-BUYING RESTRICTED

J. E. P.

WINTER STOCK-CATTLE TRADE has been of limited volume. At no time has inducement to put steers on corn existed, and the country has a habit of deferring purchase of cattle for summer grazing. During the period when it was possible to acquire fleshy cattle at $6.75 to $7.25 per cwt. a semi-demoralized fat-cattle trade exerted a restraining influence, and the moment prospects improved killers asserted prior claim to such cattle at an advance of $1 per cwt. or more, putting beef-makers out of the competition. Corn broke in February, and in many localities where it had been impossible to buy previously grain was offered without takers, as cattle had been shipped out. If the fat-cattle market could be put up at least $2 per cwt. above the midwinter basis, a feed-lot movement would be stimulated; but after last year's experience few operators can be induced to acquire weighty cattle for spring and summer feeding.

Demand centers on good yearlings selling at $6.75 to $7.25. Few can be induced to look at nondescript stockers for summer grazing purposes, and a common steer at the market goes automatically into the cutter class, unless it carries a decent beef-covering, making it eligible to the cheap trade outlet, which is narrow. Stock-cattle traders have turned both thumbs down when asked to bid on this grade of steers, and any kind of yearling in better than stocker flesh is popular with city butchers. Possibly when grass rises the country will take more interest in cattle, especially if corn declines and the fat-cattle market advances.

Mineral Point, Wisconsin, pasture men have picked up a few cattle, but the punishment they took last season promises to restrict operators this year. Grazing sections east of Chicago are seldom heard from until well along in March. Feeders have taken a few hay-fed western cattle at $8 to $8.25, and it is possible that this demand will broaden as the season works along. The whole trade is in somewhat nebulous condition. What stock-cattle trade needs as a prop is a dependable beef market.

## THE KANSAS CITY MARKET

BY M. Y. GRIFFIN

[*Bureau of Agricultural Economics*]

KANSAS CITY, MO., March 1, 1925.

SHARP PRICE FLUCTUATIONS featured the trade in beef steers and yearlings during the month of February. Decided declines early in the month, due principally to heavy supplies and a sluggish dressed-beef trade, were entirely overcome toward the close under reverse conditions. In general, beef steers, yearlings, and heifers are 25 to 50 cents higher; butcher cows, 15 to 25 cents higher; canners, cutters, and bulls, steady; and calves, 50 cents lower. All grades of steers found a broad outlet on closing days, with buyers showing more interest in heavy steers than formerly. Top for the month of $12.50 was paid for a load of long yearlings. Heavy bullocks reached the $11 mark, and handy-weights $11.20. The bulk of the offerings, which were short-feds, cleared at $8.25 to $10.25 on closing days. Supplies of she-stock have been light, especially desirable grades of heifers. Butcher cows are cashing at $4.50 to $6.50, with koshers upward to $7. Fed heifers sell largely at $5.75 to $8. Canners and cutters turned within a price spread of $2.60 to $4, the latter price securing meaty cutters. Prices on stockers and feeders fluctuated in sympathy with killing steers, and closing values are about in line with those of a month ago. Comparatively few are selling below $6, and better grades are frequent sellers at $7 to $8, with choice to fancy selections at $8.25 to $8.50. Stock cows and heifers have been scarce, and register a 15- to 25-cent advance. Thin cows are selling at $3.50 to $4.75, and heifers at $4 50 to $5.50, with feeding heifers upward to $6. Stock calves are 25 cents higher, and sell largely at $5.75 to $8, with fancy selections upward to $8.50.

Receipts of hogs show a sharp decrease as compared with the month of January and the corresponding period last year. All grades scored sharp price gains the last two weeks of the month, until on closing days values on the butcher grades were around $1.45 above last month's close and $1.65 over the month's low time. Present price levels are the highest since November, 1920, with choice strong-weight butchers bringing $12.25 on late days. Best light hogs are bringing up to $12, while best 150-pound selections cash up to $11.25. A narrowing in the price spread between light lights and butcher hogs was evident on late days, when 130- to 140-pound weights

made gains of around $2. Strong-weight slaughter pigs cashed upward to $10.35 on closing sessions. Packing sows are generally $1.25 to $1.35 higher, with most sales at $11.25 to $11.35. Stock pigs shared the advance on killing classes, strong-weights bringing $9.50 and plain light-weights $8.

Lamb prices declined around $1 the first half of the month, but since that time have maintained a fairly steady level, with the best around the $17 mark. Liberal shipping orders were a price-sustaining factor the closing week, although receipts were increased. On the high spot the best reached $18.10, but $17 was the closing limit. The decline in sheep values, started toward the close of the preceding month, continued until the closing week of the current month, when some reaction occurred, placing closing values on a 50- to 75-cent lower basis. At the high time best fat ewes scored $9.85, against a closing top of $9.35.

## THE DENVER MARKET

BY W. N. FULTON

DENVER, COLO., March 3, 1925.

THE COURSE OF THE CATTLE MARKET during the latter days of February gives rise to the hope in the minds of stockmen that the long-deferred and much-predicted improvement is just around the corner. During the month, prices on fat steers advanced around half a dollar, while cows and heifers show advances ranging from 50 cents to $1, as compared with the closing sessions of the initial month of the year. Buyers of cows for shipment to California slaughter plants helped the local market materially. Late in the month the inquiry for steers showed improvement also, and at the close the market registered substantial improvement in all departments. California buyers have had good orders to fill from day to day, and it is expected that they will continue to be active purchasers here throughout the season. The supply of cattle in feed-lots in this territory is not large, and the opinion is general that further advances are in store. Fat steers that sold from $8 to $9 at the beginning of February were finding outlet at $8.50 to $9.25 at the close of the month, while strictly choice kinds were quoted at $9.40. Cows that sold a month ago at $4.50 to $5.50 are now selling at $5.50 to $6.20. Heifers that sold at $7 to $7.50 early in February were quoted at $7.25 to $8 at the close. Feeder steers were selling at $7 to $8 at the close of January, while today the same grades are bringing $7.50 to $8.35.

Spectacular advances in the hog trade during the month were not surprising to the talent, who had been predicting them for some time. The unprecedented runs of December and January were handled without difficulty on an advancing market, demonstrating to the trade that an unusual demand prevailed. When the supply finally began to dwindle, the market started sky-rocketing, and at the close of February hogs that sold a month earlier at $10.40 to $10.55 were selling at $12 to $12.25. Since March 1 further advances have carried tops to $12.95. Prediction of $15 hogs before the last of April is freely made, although few in the trade are willing to go on record as prophesying anything beyond that figure. California buyers continue their activity in the local market, and large numbers of hogs were shipped from this market to the west coast for slaughter during the month. The keen competition resulting here maintained values at a high level, as compared with other marketing centers, the extreme top here being frequently higher than tops at the river, and often higher than Chicago.

The fact that all of the four big packers have buyers stationed here to purchase fat lambs to send to any of a dozen or more plants that happen to be short of supplies, and that shearer-buyers and others are operating actively here, while there is also some California demand, results in keen competition and prices that shippers cannot afford to overlook. At the close of January good-quality fat lambs were selling at Denver at $17.50 to $17.65. Steady declines at all points carried the best lambs to $16.25 at the close of the month. Feeding lambs that sold at $17 to $17.25 early in the month were quoted at $15.75 to $16 at the close, while good fat ewes declined from $9.75 at the beginning of the month to $8.50 at the close. Marketing of lambs is heavy at the present time, which is advanced as the cause of the recent declines. Traders aver that there are none too many lambs on feed to meet the normal demand, and that, if properly distributed, prices can be maintained at reasonable levels. Meanwhile feeders are making good profits at present prices, and there is very little complaint.

## THE CALIFORNIA MARKET

WITH MODERATE RECEIPTS and a good demand from local packers, the Los Angeles cattle market is characterized by firmness. Receipts have run largely to steers, with the result that competition on she-stock has been keen. The top on matured steers for the week ending February 26 was $8.25, while the bulk sold within a spread of $7 to $7.75. The cow market has shown a tendency toward higher values. A top of $7 has been attained, but the rank and file has cleared only from $5.50 to $6, with common and medium grades down to $4.50. Arrivals of calves have been moderate, and there is little change in quotations. Native milk vealers are selling around $10 to $12, while common southwesterns are slow at $7 to $7.50.

Hog prices continue to work upward. On February 25 a top of $13.25 was paid at Los Angeles—the highest in the United States on that day. Smooth packing sows are quoted at $10.50 to $10.75. The bulk of receipts are from Colorado, Idaho, and Nebraska.

Despite lower prices in the sheep and lamb division at eastern markets, conditions at Los Angeles remain stable. A shipment of spring lambs from the Imperial Valley sold at $16.50, and a string of Utah wooled lambs brought $15.50. Local traders are quoting good to choice springers at $16 to $16.50, and full-wooled fed lambs at $16 to $17.

## THE OMAHA MARKET

BY CHARLES BRUCE

[*Bureau of Agricultural Economics*]

OMAHA, NEB., March 2, 1925.

BUOYANCY replaced the recent gloom in the cattle market, and, while there were times during February when the market showed reverses, the increases more than offset the declines, and a comparison of closing prices with those at the end of January uncovers a net advance on beef steers and she-stock of 50 to 75 cents. Curtailment in receipts, here and elsewhere, coupled with improvement in the dressed-meat trade, was the chief factor in bringing about the marked improvement. The trade at the close of the month carried a strong undertone, with good and choice weighty steers once more coming into broad demand, finished weighty bullocks bringing the top figure. However, it must be admitted that inquiry continued to be best for the handy-weight and light-finished fat steers and yearlings, and it has been these that formed the bulk of the month's supply. Top for the month reached $10.65, while at the close the bulk of steers ranged from $8.50 to $10. A spread of $4.50 to $8 is now taking the majority of sales of fat cows and heifers, with canners and cutters largely at $2.75 to $4. Bull prices developed strength, in sympathy with other killing classes, closing 25 to 50 cents up, while veal calves

scored an upturn of 75 cents to $1. Feeding material, as usual at this season of the year, has been in limited supply, and feeder-buyers have competed with packers for fleshy steers. Warmed-up steers have found outlet to the country at $7.50 to $8.60, while the general run of stockers and feeders cleared at $6.25 to $7.75. Thin cows and heifers have moved largely at $3.75 to $5.50.

Sweeping advances were recorded in February's hog trade, with closing levels at the highest altitude for the winter packing season. The breadth of the demand has been the outstanding feature, with good support from both shippers and packers. In a general way, closing prices reflect a net upturn over the close of January of $1.50 to $1.75. The bulk of sales on February 28 ranged from $11.75 to $12.20, with tops at $12.25.

The market for fed lambs last month carried a weak undertone. Weakness in the dressed-lamb trade proved a bearish factor, and toward the close there was marked discrimination against weight. The big end of the month's supply arrived from feed-lots in western Nebraska and Colorado, with quality of the supply mostly good and choice. In a general way, a decline of $1 to $1.25 is noted on lambs and yearlings, the bulk of fed lambs at the close of February going at $16.50 to $17. Fat sheep, due to scarcity, did not share equally in the break, the decline figuring 40 to 50 cents, a closing top of $9.60 on handy-weight ewes being noted. The market on feeding lambs dropped in sympathy with fat lambs, closing prices being $16 to $16.70.

## THE PORTLAND MARKET

[*Bureau of Agricultural Economics*]

NORTH PORTLAND, ORE., February 28, 1925.

THE DULNESS which characterized trading in the cattle division during January disappeared to a great extent early in February, and since then, although receipts have showed no appreciable decrease, trading has been active and the price trend higher. February's closing quotations on steers and she-stock are 50 to 75 cents above a month ago, with spots showing a full dollar advance. Calves are unevenly 50 cents to $1.50 above a month ago, bulls alone continuing about steady. Most of the acceptable offerings in the steer class landed from $6 to $7.50, with scattering sales of better-grade beeves at $7.75 to $8, and even $8.25 has been scored in a few instances. Cows and heifers have gone mostly at $5 to $6, with occasional odd lots up to $6.75, and even $7 has been

scored by strictly good heifers. Canners and cutters are ranging from $1.50 to $5, but mostly from $2.50 to $4.50. A spread of $3.25 to $3.75 has taken the majority of the bologna bulls, while $4 to $4.50 is paid readily for good butchers. Choice light veal calves now are selling without difficulty at $11 to $12, while heavies and off-quality lights are ranging mostly from $5.50 to $9.50. There has been only a limited movement of light-fleshed steers to the country, ranging mostly from $5 to $5.50.

February's hog receipts were only slightly below those of January. Nevertheless, trading has been active throughout the month, and closing quotations on most killing classes are around $1 higher than a month ago. Feeder pigs have gained about 50 cents. The bulk of the really desirable 160- to 200-pound butcher hogs now are going close to the $12.50 mark, with $12.75 paid occasionally for choice offerings. Heavies and underweights are ranging downward from $12.25, and packing sows mostly from $10 to $10.50, with smooth heavies reaching $10.75 to $11 occasionally. The majority of the slaughter pigs now are cashing from $11 to $11.50, and choice strong-weights have sold readily during the last few days at $11.75. Feeder pigs have shown considerable improvement, and the bulk of the desirable offerings in this class sold during the last week at $9.50 to $10.

Sheep and lamb receipts have been limited throughout the month, and the majority of the arrivals have been on contract, or direct to local killers, not enough being left on the open market to give values a test. A load or two of near-choice wooled lambs, similar to the $17 kind late in January, were stopped recently at $16. Quotations on yearlings and aged stock are purely nominal. It is generally agreed that choice handy-weight wooled yearlings should bring $13 on this market, wethers $12, and ewes $10.

## HIDE MARKET SLUGGISH

COMPARED WITH A YEAR AGO, the hide and leather situation shows decided improvement. At present, however, the hide market is on a somewhat uncertain basis; but, with a reduced monthly take-off, hides should advance. At the end of February native steers sold at Chicago for 15½ cents, butt-branded steers at 15 cents, light native cows at 14¼ cents, Colorados at 14 cents, and heavy native cows at 13½ cents. These prices all represent declines. Packers, however, now seem confident that they will have to make no further concessions. Country hides likewise show decreases from last month. Choice, free-of-grub extremes were selling at the close of February at 14 cents. Calfskins are dull, Chicago city's going at 25 to 25½ cents.

Imports of hides and leather are rapidly diminishing. Subsequent to the war this country became a dumping-ground for the surplus hides and skins of the whole civilized world. Europe had no purchasing power, and only in this country was it possible to get money in exchange for these commodities. Had a hide tariff been in effect at that period, this market would have been required to take the load, the only difference being that the national treasury would have benefited by the duty collected. Now that Europe is buying, we are unloading surplus stocks of hides and leather.

To what extent domestic cattle-growers have been adversely affected by free trade in hides must be left to conjecture. Dumping surplus hides from all over the world into this market subsequent to the war all but bankrupted most of the leather-manufacturing concerns, as they were caught with huge stocks of hide and leather, which depreciated overnight, in the same manner that cattle, hogs, sheep, wool—in fact, every other commodity—depreciated.

## LIVE-STOCK MARKET QUOTATIONS

### Monday, March 2, 1925

#### CATTLE AND CALVES

| STEERS (1,100 lbs. up): | CHICAGO | KANSAS CITY | OMAHA |
|---|---|---|---|
| Choice and Prime | $10.85-12.40 | $10.20-12.50 | $10.00-12.50 |
| Good | 9.85-11.60 | 9.20-11.40 | 9.00-11.35 |
| Medium | 8.25-10.25 | 7.50- 9.60 | 7.60- 9.50 |
| Common | 6.75- 8.25 | 5.75- 7.50 | 5.75- 7.60 |
| STEERS (1,100 lbs. down): | | | |
| Choice and Prime | 11.60-12.65 | 11.40-12.75 | 11.50-12.65 |
| Good | 10.35-11.60 | 9.60-11.50 | 9.75-11.60 |
| Medium | 8.00-10.35 | 7.35- 9.90 | 7.50- 9.85 |
| Common | 6.00- 8.00 | 5.65- 7.35 | 5.65- 7.50 |
| Canners and Cutters | 4.00- 6.00 | 3.75- 5.65 | 3.85- 5.65 |
| LIGHT YEARLING STEERS AND HEIFERS: | | | |
| Good to Prime | 9.75-12.00 | 9.35-11.85 | 9.15-11.85 |
| HEIFERS: | | | |
| Good to Choice | 8.25-10.50 | 7.50-10.35 | 7.25-10.40 |
| Common to Medium | 5.50- 8.25 | 4.25- 7.50 | 4.40- 7.25 |
| COWS: | | | |
| Good to Choice | 5.65- 7.50 | 5.35- 7.10 | 5.35- 7.35 |
| Common to Medium | 4.00- 5.65 | 4.00- 5.35 | 4.25- 5.35 |
| Canners and Cutters | 2.75- 4.00 | 2.50- 4.00 | 2.65- 4.25 |
| BULLS: | | | |
| Good to Choice | 5.00- 5.90 | 4.75- 5.75 | 4.65- 5.50 |
| Canners to Medium | 3.50- 5.00 | 2.85- 4.75 | 3.00- 4.65 |
| CALVES: | | | |
| Medium to Choice (190 lbs. down) | 10.00-14.50 | 7.50-11.00 | 8.00-11.75 |
| Culls to Common (190 lbs. down) | 6.00-10.00 | 4.50- 7.50 | 4.50- 8.00 |
| Medium to Choice (190 to 260 lbs.) | 6.25-14.25 | 5.50-10.50 | 5.50-11.25 |
| Medium to Choice (260 lbs. up) | 4.50-10.00 | 4.25- 7.50 | 4.50- 8.50 |
| Culls to Common (190 lbs. up) | 3.50- 7.75 | 3.00- 5.50 | 3.00- 5.25 |
| FEEDERS AND STOCKERS— | | | |
| STEERS: | | | |
| Common to Choice (750 lbs. up) | 6.00- 8.35 | 5.10- 8.50 | 4.65- 8.60 |
| Common to Choice (750 lbs. down) | 5.75- 8.35 | 5.00- 8.50 | 4.50- 8.60 |
| Inferior (all weights) | 5.00- 5.75 | 4.25- 5.00 | 3.75- 4.50 |
| COWS AND HEIFERS: | | | |
| Common to Choice | 3.25- 6.00 | 3.15- 6.10 | 3.00- 6.00 |
| CALVES. | | | |
| Common to Choice | ........ | 3.50- 8.25 | 3.75- 7.75 |

#### HOGS

| | | | |
|---|---|---|---|
| Top | $12.75 | $12.55 | $12.50 |
| Bulk of Sales | 12.10-12.60 | 11.95-12.50 | 11.90-12.40 |
| Heavy Weight, Medium to Choice | 12.40-12.75 | 12.20-12.65 | 12.25-12.50 |
| Medium Weight, Medium to Choice | 12.25-12.70 | 12.15-12.50 | 12.00-12.45 |
| Light Weight, Common to Choice | 11.85-12.55 | 11.50-12.35 | 11.65-12.25 |
| Light Lights, Common to Choice | 11.00-12.25 | 10.50-12.00 | 10.75-12.00 |
| Packing Hogs, Smooth | 11.55-11.60 | 11.50-11.75 | 11.75-12.00 |
| Packing Hogs, Rough | 11.30-11.55 | 11.35-11.50 | 11.50-11.75 |

#### SHEEP AND LAMBS

| | | | |
|---|---|---|---|
| LAMBS: | | | |
| Medium to Prime | $15.00-18.15 | $15.00-16.85 | $14.50-17.25 |
| Culls and Common | 13.00-15.00 | 12.00-15.00 | 12.50-14.50 |
| YEARLING WETHERS: | | | |
| Medium to Prime | 12.50-15.75 | 12.00-14.50 | 12.50-14.25 |
| WETHERS: | | | |
| Medium to Prime | 9.00-13.00 | 7.75-10.75 | 8.00-11.25 |
| EWES: | | | |
| Common to Choice | 6.50-10.25 | 6.25- 9.50 | 6.25- 9.60 |
| Canners and Culls | 3.00- 6.50 | 2.25- 6.25 | 2.75- 6.25 |
| FEEDING LAMBS: | | | |
| Medium to Choice | 16.50-17.25 | ........ | 14.75-16.70 |

## FEEDSTUFFS

COTTONSEED CAKE AND MEAL, 43 per cent protein content, f.o.b. Texas points, on March 4 sold at $35. A further decline is noted in hay prices. At Kansas City on March 2 they were: Prairie—No. 1, $10.50 to $11; No. 2, $9.50 to $10; No. 3, $6.50 to $9; packing, $5 to $6; alfalfa—select dairy, $22.50 to $25; choice, $21 to $22; No. 1, $18.50 to $20.50; standard, $16 to $18; No. 2, $13.50 to $15.50; No. 3, $9 to $13; timothy—No. 1, $15 to $15.50; standard, $14 to $14.50; No. 2, $12.50 to $13.50; No. 3, $10 to $12; clover-mixed—light, $15 to $15.50; No. 1, $13.50 to $14.50; No. 2, $10 to $13; clover—No. 1, $13.50 to $15; No. 2, $8 to $13; straw—$7.

## PROFIT IN SLAUGHTERING CATTLE

FROM THE "YEAR BOOK" of Swift & Co., covering the activities of that company during 1924, we reproduce the below table, showing financial results of cattle operations for the years 1915 to 1924. The figures (which are per head) would undoubtedly, with minor variations, apply to any other of the big packers:

| Fiscal Years | Paid for Live Cattle | Total Expenses Including Freight | Total Expended | Received for Meat | Net Returns from By-Products Incl. Hides | Total Received | Profit and Loss Before Charging Interest |
|---|---|---|---|---|---|---|---|
| 1915 | $ 72.49 | $ 7.73 | $ 80.22 | $ 63.28 | $ 18.58 | $ 81.86 | $ 1.64 |
| 1916 | 73.68 | 7.73 | 81.41 | 63.98 | 19.08 | 83.06 | 1.65 |
| 1917 | 84.45 | 7.32 | 91.77 | 68.97 | 24.09 | 93.06 | 1.29 |
| 1918 | 92.70 | 9.79 | 102.49 | 81.45 | 22.06 | 103.51 | 1.02 |
| 1919 | 102.82 | 11.68 | 114.50 | 88.21 | 25.59 | 113.80 | .70* |
| 1920 | 93.85 | 13.69 | 107.54 | 86.31 | 21.17 | 107.48 | .06* |
| 1921 | 67.53 | 15.17 | 82.70 | 75.32 | 8.51 | 83.83 | 1.13 |
| 1922 | 64.72 | 13.46 | 78.18 | 67.25 | 13.45 | 80.70 | 2.52 |
| 1923 | 66.97 | 12.45 | 79.42 | 68.35 | 12.17 | 80.52 | 1.10 |
| 1924 | 60.08 | 12.63 | 72.71 | 63.11 | 11.55 | 74.66 | 1.95 |

*Loss

## UNCERTAINTY KEYNOTE OF WOOL TRADE

J. E. P.

WHAT WOOL WILL or may do during the next ninety days is anybody's guess. There is no lack of more or less logic on either side. Statistically, the position of wool is strong; what the market may do from week to week is another proposition. The law of supply and demand does function, but frequently runs foul of the law of cause and effect. Other commodities have been appreciating recently, while wool values have shown a reactionary disposition. There is no heavy world-wide wool supply, but economy in its use is possible. The textile situation is both unhealthy and unpromising, the cost of converting wool into fabrics and clothing is still practically on a war basis, and the public is replenishing its wardrobe sparingly. In a talk fest on the subject of wool values either side has vantage.

During the past two months wool has been on debatable ground. The upward movement that gained momentum last July has ceased. Foreign markets have weakened, and a recently discouraged bear element has become voluble. One adverse factor, for the moment at least, is that goods made since wool advanced have not yet reached the buying public. How consumers will respond to new cost is a problem yet to be solved.

The bear element is talking increase in wool production, which is somewhat far-fetched, as, assuming that production is to expand, it will be slow. In any speculation concerning the future course of the wool market, general business conditions must be taken into the reckoning, and the fact must not be ignored that the national wardrobe has been seriously depleted in recent years. Masculinity especially has been economical in the matter of clothing, buying from hand to mouth as the suit on its back became too shabby to make a decent appearance. Never before has the clothing-repairer been so busy.

Contracting 1925 wool in the West, which recently amounted to a buying furore, has been practically suspended, and at eastern markets so little wool has changed hands recently that prices are merely nominal. Australian prices have declined, but the downward trend in that quarter has been arrested. France has resumed buying in the Southern Hemisphere. Japan is back in the market, and Australian buyers are more active. Under existing conditions, caution in buying circles, both on speculation and on manufacturing account, is logical. Buyers are constantly looking the market over—activity that must have something more than mere curiosity for its incentive—and at such centers as Boston and Philadelphia an opinion is gaining ground that such disparity between values of finished goods as may have existed has been dissipated. London reports that trade sentiment is less bearish than thirty days back, as buyers in the goods market are displaying more interest. During the next thirty days the international wool situation will probably change to an extent that will indicate the future trend of the market.

Wool in weak hands has been moving at price concessions, as a financial expedient, but such shading has been incorrectly construed as fundamental weakness. It is a somewhat irregular market, the same grades of wool showing a variance of five cents per pound within a few days. Reports of sales "under the market" leave room for speculation as to what the market is. Whatever happens, no market disturbance is considered likely. The market is passing through a testing period, but the underlying position is sound. Disparity between prices of fine wools and cheaper cross-breds has progressed to an extent that should make for stability, which is more to be desired than a period of wild fluctuations.

## RAILROAD EARNINGS

GROSS EARNINGS of Class 1 railroads, according to *Bradstreet's*, totaled $5,986,492,100 during 1924, or a decrease of 5.9 per cent from the previous year. Operating expenses were $4,558,307,800, or 7.8 per cent less than in 1923. Net operating income amounted to $987,133,650, which is equivalent to a return of 5 per cent on a property valuation of $19,745,000,000 at the end of 1923. Last year the return was figured at 5.13 per cent.

**If your subscription has expired, please renew.**

# TRADE REVIEW

## EXPORTS OF MEAT PRODUCTS IN JANUARY

EXPORTS OF MEAT PRODUCTS and animal fats for the month of January and for the seven months ending January, 1925, as compared with the corresponding periods of the previous fiscal year, were as below (in pounds):

### BEEF PRODUCTS

| | January | | Seven Months Ending January | |
|---|---|---|---|---|
| | 1925 | 1924 | 1925 | 1924 |
| Beef, fresh | 370,138 | 285,831 | 1,698,796 | 1,803,234 |
| Beef, pickled, etc. | 1,467,188 | 1,200,598 | 13,479,096 | 13,140,807 |
| Beef, canned | 122,746 | 340,737 | 760,264 | 1,022,342 |
| Oleo oil | 6,266,682 | 6,512,361 | 58,865,991 | 52,696,792 |
| Totals | 8,226,754 | 8,339,527 | 74,804,147 | 68,663,175 |

### PORK PRODUCTS

| | January | | Seven Months Ending January | |
|---|---|---|---|---|
| | 1925 | 1924 | 1925 | 1924 |
| Pork, fresh | 4,564,130 | 6,559,163 | 19,567,169 | 37,871,527 |
| Pork, pickled | 2,538,984 | 2,755,218 | 16,012,138 | 25,417,863 |
| Bacon | 24,795,233 | 46,013,857 | 153,990,399 | 281,019,181 |
| Hams and shoulders | 31,373,477 | 33,052,737 | 166,014,148 | 222,429,109 |
| Sausage, canned | 473,196 | 353,975 | 2,040,839 | 1,603,551 |
| Lard | 78,440,345 | 132,758,311 | 493,710,824 | 618,832,164 |
| Neutral lard | 2,105,430 | 3,395,547 | 14,102,334 | 12,266,458 |
| Lard compounds | 645,607 | 458,887 | 4,677,823 | 4,016,484 |
| Margarine | 51,941 | 56,587 | 426,317 | 781,757 |
| Totals | 144,988,343 | 225,404,282 | 870,541,986 | 1,204,238,094 |

## OUR FOREIGN COMMERCE IN THE PRODUCTS OF AGRICULTURE

BELOW WE PRESENT STATISTICS of exports and imports of live animals, meat products, dairy products, hides and skins, wool, and grains, from and into the United States, for the calendar years 1924 and 1923, as tabulated by the Department of Commerce. Most notable in the 1924 column will be found the decrease in our exports of pork products—hams, bacon, and lard—which fell off more than 15 per cent from the 1923 figures. In bacon alone the diminution was 31.3 per cent. This is due in part to the rapid rehabilitation of the swine herds of Europe, making the nations of the continent less dependent upon American imports, and in part, in the case of bacon, to increased competition by Ireland, Sweden, the Netherlands, Canada, and especially Denmark, in the British market. In the trade in fresh beef and mutton we have, as it seems, been permanently replaced by the Southern Hemisphere, our exports of these commodities having sunk to negligible quantities.

In dairy products there is a considerable increase in our exports of butter, and a corresponding decrease in our imports. This change was brought about, during the latter half of 1924, by Germany getting into position to take large quantities of Danish butter, thereby relieving the English market to that extent and making it possible for the United States producer to unload part of his surplus abroad.

The situation in hides and skins shows a striking upward turn in exports for last year, amounting to no less than 191.7 per cent, while imports at the same time were reduced by 32.9 per cent. The export increase is distributed pretty evenly over the different classes, whereas the decrease in imports is wholly absorbed by cattle hides. Nevertheless, our imports of hides were almost four times the volume of our exports.

Of wool we exported 42.3 per cent less in 1924 than during the previous year, and imported 32 per cent less.

We exported 68.3 per cent more barley, 57.1 per cent less corn, and 67.7 per cent more wheat in 1924 than in 1923.

### LIVE ANIMALS

(Number)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Cattle | 60,959 | 37,194 |
| Swine | 82,846 | 87,644 |
| Sheep | 18,546 | 16,879 |
| Horses | 11,067 | 9,666 |
| Mules, asses, and burros | 13,689 | 17,116 |
| Totals | 187,107 | 168,499 |

IMPORTS

| | 1924 | 1923 |
|---|---|---|
| Cattle | 143,310 | 138,357 |
| Sheep | 30,384 | 38,934 |
| Horses | 2,525 | 2,483 |
| Totals | 176,219 | 179,774 |

### MEATS

(Pounds)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Beef—fresh | 2,417,463 | 3,028,006 |
| Veal—fresh | 213,680 | 357,972 |
| Beef—pickled | 21,922,680 | 23,041,629 |
| Beef—canned | 1,500,620 | 1,733,282 |
| Oleo oil | 99,379,879 | 98,954,904 |
| Total beef products | 125,434,322 | 127,115,793 |
| Pork—fresh | 32,803,291 | 54,691,196 |
| Pork—pickled | 28,279,903 | 41,840,884 |
| Pork—canned | 3,273,756 | 2,801,478 |
| Hams and shoulders | 323,877,134 | 372,092,856 |
| Bacon | 314,102,689 | 456,797,497 |
| Lard | 944,095,014 | 1,035,381,571 |
| Neutral lard | 27,364,974 | 24,128,923 |
| Lard compounds | 7,381,985 | 7,450,591 |
| Total pork products | 1,681,178,746 | 1,995.184,996 |
| Mutton and lamb | 1,444,680 | 2,086,991 |
| Sausage | 12,097,000 | 10,734,922 |
| Total meat products | 1,720,774,869 | 2,135,122,702 |

IMPORTS

| | 1924 | 1923 |
|---|---|---|
| Beef and veal—fresh | 18,104,478 | 19,356,470 |
| Pork—fresh | 5,682,885 | 1,100,950 |
| Mutton and lamb | 2,166,087 | 5,215,278 |
| Meats—prepared or preserved | 12,953,684 | 11,176,312 |
| Other meats | 1,139,730 | 1,883,819 |
| Totals | 40,046,864 | 38,752,829 |

### WOOL

(Pounds)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Wool and mohair—unmanufactured | 309,455 | 535,386 |

IMPORTS

| | 1924 | 1923 |
|---|---|---|
| Wool and mohair—unmanufactured | 268,212,740 | 394,250,395 |

### DAIRY PRODUCTS

(Pounds)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Milk—condensed, evaporated, etc. | 211,543,172 | 196,701,738 |
| Butter | 8,256,622 | 5,845,514 |
| Cheese | 4,299,127 | 8,331,321 |
| Totals | 224,098,921 | 210,878,573 |

IMPORTS

| | | |
|---|---|---|
| Milk—condensed, evaporated, etc. | 8,489,414 | 10,398,001 |
| Butter | 19,404,816 | 23,741,247 |
| Cheese | 59,175,591 | 64,419,788 |
| Totals | 87,069,821 | 98,559,036 |

### HIDES AND SKINS

(Pounds)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Cattle hides | 79,706,261 | 23,853,400 |
| Calfskins | 11,190,991 | 3,982,384 |
| Sheep and goat skins | 2,820,660 | 1,015,182 |
| Others | 11,370,746 | 7,161,064 |
| Totals | 105,088,658 | 36,012,030 |

IMPORTS

| | | |
|---|---|---|
| Cattle hides | 185,614,172 | 291,968,928 |
| Buffalo hides | 1,593,820 | 3,261,872 |
| Kip and calfskins | 41,112,224 | 48,697,988 |
| Horse, colt, and ass hides | 10,489,232 | 16,203,889 |
| Sheep and lamb skins | 58,047,245 | 76,109,454 |
| Goat and kid skins | 52,234,263 | 85,853,356 |
| Kangaroo and wallaby skins | 699,259 | 1,493,551 |
| Others | 6,762,252 | 7,987,227 |
| Totals | 356,552,476 | 531,567,265 |

### GRAINS

(Bushels)

EXPORTS

| | 1924 | 1923 |
|---|---|---|
| Barley | 20,178,700 | 11,983,177 |
| Buckwheat | 121,696 | 49,837 |
| Corn | 18,335,768 | 42,187,732 |
| Oats | 3,983,239 | 3,226,764 |
| Rye | 35,666,410 | 30,850,189 |
| Wheat | 166,301,788 | 98,533,482 |
| Totals | 244,587,601 | 186,381,181 |
| Wheat flour (barrels) | 15,989,760 | 16,309,856 |

IMPORTS

| | | |
|---|---|---|
| Corn | 4,106,920 | 203,489 |
| Oats | 6,964,810 | 316,704 |
| Wheat | 15,534,204 | 19,501,706 |
| Totals | 26,605,434 | 20,021,899 |
| Wheat flour (pounds) | 12,734,414 | 52,533,909 |

## NOTES FROM FOREIGN LANDS

**Germany's Live Stock**

| | 1924 | 1923 |
|---|---|---|
| Cattle | 17,296,000 | 16,653,000 |
| Hogs | 16,844,000 | 17,226,000 |
| Sheep | 5,717,000 | 6,094,000 |

**Canada's Live Stock**

| | 1924 | 1923 |
|---|---|---|
| Cattle | 9,461,000 | 9,246,000 |
| Hogs | 5,069,000 | 4,405,000 |
| Sheep | 2,685,000 | 2,754,000 |

**Ireland's Live Stock**

| | Irish Free State | North of Ireland | All Ireland |
|---|---|---|---|
| Cattle | 4,194,000 | 736,000 | 4,930,000 |
| Hogs | 938,000 | 140,000 | 1,078,000 |
| Sheep | 3,128,000 | 509,000 | 3,637,000 |

**Government Packing Plant for Uruguay**

Uruguay is about to build a state-owned meat-packing plant. The plant will supply meat at cost price to co-operative associations of butchers, and also for export.

# FOREIGN

## ENGLISH LIVE-STOCK LETTER

BY JOSEPH RAYMOND

[*Special Correspondence to The Producer*]

LONDON, February 13, 1925.

WHILE THE BRITISH PUBLIC is talking of dear food, under the stimulus of government action taken to appease popular prejudices, the live-stock markets of the United Kingdom are pursuing the even tenor of their way, with prices perhaps a little on the dear side, and with everything pointing to well-maintained values. Best light-weight beef today is a very firm market at 23 cents a pound for first-quality meat. The recent renewed outbreak of foot-and-mouth disease fortunately has not become greatly extended. The marketings of fat sheep of late have been within limited compass, but prices here have not been too firm. At present first-quality Downs and crossbreds average 36½ cents a pound, and ewes 23½ cents. First quality today averages 28 cents a pound in the fat-stock markets.

The year 1925 is still looked upon as a likely one for dear meat, and in this direction the world's statistical position is being freely discussed as responsible for what is appearing to the British public as very much like a world shortage. Many on this side of the Atlantic are asking themselves what would be the effect of the United States of America dropping its tariff wall against Canadian cattle, as the deflection of the free supplies at present arriving in British ports is regarded as a factor which would materially influence prices here.

Smithfield Market, which is the clearing-house of a quantity of meat which very nearly reaches 50 per cent of the total imported supplies into the United Kingdom, showed an increase of 2.2 per cent in its pitchings in 1924, these totaling 1,076,365,000 pounds, as against 1,053,698,000 pounds in 1923. Imported supplies, apart from produce originating in the Irish Free State, formed 78.2 per cent of the total quantity of the produce marketed. Of the total quantity of beef and veal, 82.9 per cent was imported.

An interesting feature illustrating the variety of meat that comes to London has been, this month, the appearance of a considerable quantity of mutton from two very unusual sources—one supply being from Riga and the other a large quantity from Mongolia, shipped from Vladivostok. The latter were fat-tailed sheep, the hind lump of which had been cleverly eliminated in the butchering and freezing. The Latvian mutton was of very poor quality. The Mongolian meat made rather less than New Zealand ewe prices.

The Royal Commission on Food Prices, sitting in London, as the world's press will have shown, has been dealing heavily with the question of the meat trade in relation to its pressure upon the British consumer, and a wealth of interesting evidence from those who know most about the trade in its several sections has been forthcoming. The ostensible purpose of the commission has been to discover where, if at all, profiteering takes place, and whether at any point there are unfair monopolistic or collusive methods employed in the business. Such interesting personalities as Lord Vestey and others have been examined, but the general consensus of opinion is that the commission has failed to obtain any damning evidence. Lord Vestey, of course, had plenty of evidence of a diverting character to bring, the ramifications of his business being shown to

include 2,356 retail meat shops, or between 5 and 6 per cent of the total meat-retailing establishments of Great Britain. In these, he said, the profit on the meat turn-over is only 0.94 cent a pound, or, on the weekly consumption per head of 2½ pounds of meat, less than 2.5 cents per week to each customer. The Vestey organization in its meat-shipping transactions from the Argentine Republic last year was said to have made a profit of less than ½ cent a pound on its total turn-over. Lord Vestey added that of the 38,000,000 cubic feet of cold-storage space available in the United Kingdom for food storage, his organization owned about 33 per cent, and last month more than three-quarters of this was unoccupied, while during 1924 they never at any time had the stores filled to 50 per cent of their capacity.

## EXPORTS OF MEATS FROM ARGENTINA

ARGENTINE EXPORTS OF MEATS during 1924, as tabulated by the *Times of Argentina*, were as appended (in the figures are included shipments from the three Uruguayan freezing-works, roughly amounting to 10 per cent of the totals):

| Destination | Mutton Carcasses | Lamb Carcasses | Beef Quarters | |
|---|---|---|---|---|
| | | | Frozen | Chilled |
| United Kingdom | 1,909,301 | 1,659,111 | 1,066,573 | 5,174,476 |
| Continent of Europe | 392,830 | 30,203 | 4,326,339 | 636 |
| United States | 15,547 | 16,796 | 8,813 | 1,254 |
| Elsewhere | 2,137 | 3,529 | 137,645 | ........ |
| Totals 1924 | 2,319,815 | 1,709,639 | 5,539,370 | 5,176,366 |
| Totals 1923 | 2,460,664 | 1,651,691 | 3,565,323 | 4,683,717 |
| Totals 1913 | 1,597,097 | 451,069 | 1,565,370 | 3,054,130 |

Significant in this table are the tremendous expansion since the pre-war period in shipments of lamb and frozen beef, and the marked preference shown by the British consumer for chilled beef, which is so seriously interfering with the export trade of Australia and New Zealand, whose greater distance from the English market compels them to ship their beef in frozen condition. On the other hand, the small quantity of chilled beef sent to the continent is to be explained by the fact that the continental steamers are not yet equipped for the handling of this commodity.

Commenting on the prospects for expanding exports of Argentine meats to the United States, the *Times* writes:

"It will be noted that shipments to the States have not been very heavy, although before the war this was a very fair trade and appeared to be on the increase. Our meat shipments to the States have been affected by the tariff wall erected by the Republican administration. But it is possible that the quietly rising prices of meat in the States may shortly cause a recommencement of importation from South America, in spite of the high tariff. It is calculated that the increasing population of the United States, plus the decreasing herds, will enforce importation. Canada is not yet in position to fill those requirements, and the natural tendency will be toward South America. We look for a gradual recommencement of meat shipments to the States in the course of the next few months."

### Wheat Shortage in France

The French government, dealing with the wheat shortage in France, proposes to take a census of all stocks in the country, close bakeries one day each week, and buy immediately 9,300,000 bushels of wheat.

### Wheat Production in Southern Hemisphere

Official estimates place the wheat crop of Argentina for the 1924-25 season at 190,000,000 bushels, and that of Australia at 162,000,000 bushels. This would leave an exportable surplus of 120,000,000 bushels from Argentina and 110,000,000 bushels from Australia—a quantity which in the latter case has been exceeded only once.

## BRITISH MEAT IMPORTS

GREAT BRITAIN'S MEAT IMPORTS in 1924, and sources from which derived, were as below (in pounds), according to data published in the London *Meat Trades' Journal:*

| Country | Beef | Mutton | Pork | Bacon |
|---|---|---|---|---|
| United States | 8,958,992 | ........ | 19,026,560 | 205,537,248 |
| Canada | ........ | ........ | ........ | 133,307,888 |
| Argentina | 1,118,374,320 | 177,123,296 | 161,840 | ........ |
| Uruguay | 111,709,808 | 25,924,416 | ........ | ........ |
| Australia | 84,104,944 | 50,662,528 | ........ | ........ |
| New Zealand | 63,264,992 | 269,112,032 | ........ | ........ |
| Irish Free State | ........ | ........ | 27,843,760 | 66,645,152 |
| Denmark | 2,072,672 | ........ | ........ | 445,588,864 |
| Netherlands | ........ | 13,249,488 | 59,788,840 | ........ |
| Other countries | 19,221,440 | 35,293,888 | 6,175,344 | 29,919,456 |
| Totals 1924 | 1,407,707,168 | 571,365,648 | 112,996,344 | 880,998,608 |
| Totals 1923 | 1,435,322,000 | 657,677,000 | 114,290,000 | 882,833,000 |
| Totals 1913 | 1,030,771,000 | 597,899,000 | 55,537,000 | 544,084,000 |

Shifts in the trade current during the year are indicated by a decrease of 64.4 per cent in imports of mutton and lamb from Australia, an increase of pork from Holland of 55.9 per cent and of bacon from Denmark of 13 per cent, and a decrease of pork from the United States of 41.7 per cent and of bacon of 35 per cent. In beef, Argentina remains far in the lead; in mutton and lamb, New Zealand maintains her commanding position; the Netherlands have outdistanced the United States by more than 40,000,000 pounds in pork; while Denmark has recovered her old rank as a producer of bacon, supplying half of Great Britain's needs of that commodity.

Of live animals the following numbers were imported into Great Britain in 1924:

| Country | Cattle | Sheep | Swine |
|---|---|---|---|
| United States | 1,859 | ........ | ........ |
| Canada | 76,978 | ........ | ........ |
| Irish Free State | 931,614 | 584,857 | 234,536 |
| Other countries | 740 | 4,250 | ........ |
| Totals | 1,011,191 | 589,107 | 234,536 |

It is an interesting observation that of all the meat products exported by surplus-producing nations, Great Britain takes about 70 per cent of the beef, 60 per cent of the pork and lard, and 95 per cent of the mutton and lamb.

## NOTES FROM FOREIGN LANDS

### Canadian Live-Stock Slaughter

Under government inspection, the following numbers of live stock were slaughtered at Canadian markets during the years 1924 and 1923:

| | 1924 | 1923 |
|---|---|---|
| Cattle | 578,106 | 536,482 |
| Calves | 321,515 | 275,660 |
| Hogs | 2,913,643 | 2,256,474 |
| Sheep | 511,624 | 499,745 |

### Canada's Export Trade in Meats

For the years 1924 and 1923 Canada's exports of meats were as set forth below (in pounds). Most of these quantities represent increases, which are especially notable in the case of pork products. Great Britain took practically all of these:

| | 1924 | 1923 |
|---|---|---|
| Beef, fresh | 22,949,600 | 19,000,000 |
| Beef, pickled | 257,600 | 224,800 |
| Pork, fresh | 7,951,000 | 910,000 |
| Pork, dry salted | 5,308,000 | 2,132,000 |
| Pork, pickled | 1,516,000 | ........ |
| Bacon, hams, and shoulders | 113,395,700 | 100,000,000 |
| Mutton and lamb | 922,000 | 1,707,000 |
| Canned meats | 371,000 | 113,000 |
| Other meats | 8,237,000 | 8,192,000 |

# ROUND THE RANGE

## CONDITION OF RANGE AND LIVE STOCK

Ranges held about the same condition during January as a month previously, with some disappearance of snow and generally heavy feeding, according to the February report of the Division of Crop and Live Stock Estimates. Feed and range were generally good in Montana, Wyoming, Colorado, the western part of the Dakotas, Kansas, and Nebraska, while in Texas, Oklahoma, Arizona, and New Mexico the effect of last year's short feed was evident. In the region west of the Continental Divide winter ranges showed no improvement except in California, with a generally good outlook for spring range in Idaho and Oregon. Utah and Nevada still showed the effects of last season's drought, and there was a shortage of range and feed in the southern part of those states. Condition of ranges was 77 per cent—the same as in January and 11 points below one year ago.

Condition of cattle showed a decline to 82 per cent from 84 per cent in January, and comparing with 92 per cent one year ago. This was due to a seasonal decline in most of the states, with the heaviest reduction in Texas, where cattle were thin and winter feed was short. Cattle were generally in good shape in the remainder of the range country east of the divide, while the states west of the divide showed a much lower condition than one year ago, due to dry conditions last fall, severe weather, and short winter range.

Sheep were generally in good condition and had wintered well, except in parts of Texas and the Southwest, where feed had been short. California showed an improvement in the condition of sheep over one year ago. Sheep prospects were mostly favorable, with considerable activity in wool and lamb contracting. There had been a strong demand for breeding sheep, which exceeded the supply. The condition of sheep was 89 per cent—the same as in January—while the condition one year ago was 96 per cent.

## FEWER HOGS BEING PRODUCED

A considerably reduced hog production in 1925 is foreshadowed by the returns from the survey made on December 1 by the Department of Agriculture in co-operation with the Post Office Department through the rural mail-carriers. The survey, for the country as a whole, shows a decrease of 28.2 per cent in the number of sows farrowed in the fall of 1924, as compared with the same period a year previous. Owing to a somewhat higher average number of pigs saved, however, the decrease in pigs is estimated at only 22.2 per cent. For the Corn Belt, sows farrowed were 30.6 per cent less, and pigs 23.4 per cent less.

The number of sows bred, or intended to be bred, to farrow this spring, for the United States, is shown to be 94.3 per cent of those actually farrowing in the spring of 1924, and for the Corn Belt 89.6 per cent. Based on the results of previous surveys, this would indicate a reduction of from 15 to 25 per cent in the sows that will farrow in the Corn Belt this spring.

The total number of pigs raised in the Corn Belt in 1924 is estimated to be fully 19 per cent less than the number raised in 1923, or a reduction of between 11,000,000 and 12,000,000 head—about 7,000,000 in the spring crop and 4,500,000 in the fall crop. In spite of this decrease, how-

ever, the market movement of Corn Belt hogs was almost as large in 1924 as in 1923.



## CORN-HOG RATIOS

Average number of bushels of corn required to buy 100 pounds of live hogs, based on averages of farm prices for corn and hogs, was as under for the years given, as computed by the Department of Agriculture:

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|---|---|
| 1915 | 9.2 |
| 1916 | 10.7 |
| 1917 | 9.7 |
| 1918 | 10.6 |
| 1919 | 10.3 |
| 1920 | 9.8 |
| 1921 | 14.0 |
| 1922 | 14.4 |
| 1923 | 9.0 |
| 1924 | 8.2 |

## SECOND MEAT-STORY CONTEST PLANNED

A new project for stimulating the study of meat and its use in the household, on the part of high-school students of home economics, is to be launched by the National Live Stock and Meat Board. This will take the form of a second national meat-story contest, the details of which will soon be announced. Incentives will be offered in the way of cash prizes totaling $2,500, with a national championship prize of $300. Awards will be made in every state.

In the first contest 12,000 high-school girls participated. It is expected that a much larger number will become interested in the new event.

## MARKETING OF MEATS

In "Marketing Live Stock and Meats," Armour's Live Stock Bureau, under the direction of Edward N. Wentworth, has assembled in handy size and convenient arrangement all the pertinent facts relating to the nation's meat trade. The booklet, of 108 pages, presents in brief, crisp paragraphs, aided by charts and illustrations—some of the latter in color—the whole intricate process of transportation, marketing, grading, slaughtering, preparation, and distribution of meat products. We quote from the chapter entitled "The Meat-Packing Business":

"In a general way, slaughtering of live stock is performed by four agencies, each one of which is essential to the greatest efficiency of the live-stock and meat industries, and which together slaughter all live stock and supply the entire population with meat products. These four groups are: farm slaughterers, local butchers, local packers, and national packers.

"Farm slaughtering for home use and also for sale of meat is done extensively during the winter season on almost every farm in the country. As a regular year-round business, it is only resorted to in the Southeast, where farmers still peddle their meats in the town markets. . . . As a general rule, farm-slaughtered meat is of inferior quality, the slaughterers having neither the technical skill nor the facilities for preparing the meat in a proper and sanitary way. Furthermore, the second-best animals of the farm are the ones usually slaughtered, the others being sold for cash.

"The local butcher kills only a few head of live stock at a time, in order to supply the demand for meat in his immediate vicinity. Because of the small size of each business, no veterinary inspection is possible, and the output of local butchers combines with farm slaughter to make up the bulk of the meat listed in statistical computations as 'uninspected.' There are, however, significant exceptions to this rule, particularly in the Pacific states, where packing-houses of considerable size do not have federal inspection because they do not have an interstate trade requiring it. . . .

"The local and regional packer caters to the business in his surrounding territory, ordinarily within a radius of less than a hundred miles. His operations are on a larger scale than those of the local butcher, and exceed them to such an extent that federal inspection is usually arranged for. This is a necessity if any of the meat products are to be salable in states other than the one in which they are manufactured. If at times production is heavier than what can be sold to advantage in the regular territory of the plant, the surplus is consigned to jobbers or sold to wholesalers

in Chicago or the big eastern cities. Although some provisions are cured for later sale in local packing-houses, the bulk of the business is on the basis of immediate turn-over of product. . . .

"The national packer engages primarily in interstate and international trade. His main business is to secure the live stock from those regions in which there is a surplus production, and to ship the products to those regions which cannot be adequately supplied from the immediate surrounding agricultural communities. In order to engage successfully in this business, it is necessary to conduct operations on a huge scale. Besides plants, the national packer must also be in possession of spacious coolers, refrigerator cars for rail transportation, and a nation-wide or international selling organization with branch houses and local storage plants. The geographic features of the live-stock industry require such a service; in fact, the development of national packing companies made possible the practical dividing of the country into specific agricultural and industrial regions.

"In competition with local butchers and packers, the national packers are at a disadvantage because their overhead is much larger; also because they have to draw on their supplies from distant regions, and transportation expenses are, therefore, added; and their turn-over, due to storage, is slower than is the case with local packers. To offset these disadvantages, the national packers resort to the favorable action of three factors: first, they operate on a larger scale, permitting them to do business on smaller profits per dollar of sale than the local packers are able to; secondly, they secure additional income through the development of numerous by-product industries; and, thirdly, they can place their products on the particular markets where they will bring the highest price, while the local packer is largely restricted to his immediate selling territory."

This admirable and instructive work, while primarily intended for schools and colleges having courses in agriculture, may be secured, free, by any of our readers on request from Armour's Live Stock Bureau, Union Stock Yards, Chicago.

### SERUM STORED AGAINST CATTLE PEST

Conspicuous among the destructive animal plagues is rinderpest—the most deadly of the diseases to which cattle are subject. Rinderpest, or cattle plague, occurs in Asia, Africa, and certain parts of Europe. Recently it broke out in Australia, where it was eradicated by slaughtering all infected and exposed animals—the same method as is used to suppress foot-and-mouth disease in this country.

Rinderpest has never broken through the barriers maintained by the Department of Agriculture in the United States; but, should this great misfortune occur, the Bureau of Animal Industry is prepared to take immediate steps to wall off the infected area by inoculating all cattle in a belt surrounding it. Protective action of this sort will be possible because the bureau has in cold storage at Washington a large supply of rinderpest serum, which will produce immunity in cattle inoculated with it.

The serum, which is sterile, and therefore of no danger to our herds, is produced in the Philippines, where the disease has existed for a long time. Cattle which have recovered from the plague are hyperimmunized by injecting into their blood active virus of the disease, which gives them still more resistance. The serum is made from the blood of these animals. In cold storage, the serum will retain its protective power for

several years. The immunity acquired by treated cattle is lasting.

Since a serum for foot-and-mouth disease has been known for a number of years, there arises the natural question why this disease has not been fought with serum instead of with rifles and burial in lime. Unfortunately, the serum from cattle immune from this plague has little potency. Furthermore, the immunity lasts only six weeks.

### UNITED STATES LEADS IN AUTOMOBILES

While the United States has 62.64 per cent of all the telephones in the world, as set out in the December PRODUCER, of the total number of automobiles (passenger cars and trucks) in use on January 1, 1925, we had no less than 82.5 per cent, according to a list published by the Department of Commerce. In spite of hard times, the world in 1924 spent about $3,360,000,000 on new motor vehicles, we learn, buying approximately 2,750,000 passenger cars, 550,000 trucks, and 200,000 motor cycles in the single year. Of passenger cars alone, numbers on January 1 in some countries were as below:

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|---|---|
| United States | 15,597,628 |
| Rest of world | 3,017,417 |
| Grand total | 18,615,045 |

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|---|---|
| Canada | 597,278 |
| United Kingdom | 567,691 |
| France | 460,000 |
| Australia | 180,000 |
| Germany | 154,000 |
| Argentina | 120,000 |
| Italy | 65,000 |
| Spain | 60,000 |
| Belgium | 58,401 |
| New Zealand | 52,116 |
| India | 49,600 |
| Sweden | 49,000 |
| Union of South Africa | 45,000 |
| Brazil | 38,000 |
| Dutch East Indies | 32,152 |
| Denmark | 32,000 |
| Mexico | 25,000 |
| Cuba | 24,000 |
| Switzerland | 22,000 |
| Irish Free State | 21,000 |
| Uruguay | 20,200 |
| Netherlands | 20,000 |

**A Howler.**—Cockney Visitor—"What's that awful noise outside?"

Country Host—"Why, that's an owl."

Cockney Visitor—"I know it's an 'owl, but 'oo's 'owling?"—*Dry Goods Economist.*

**Honest Confession.** — House Agent — "You say you have no children, gramophone or wireless, and you don't keep a dog. You seem just the quiet tenant the owner insists on."

House Hunter—"I don't want to hide anything about my behavior, so you might tell the owner that my fountain-pen squeaks a bit."—*Bystander.*